April 2007

Tribune Company

Confidential

TRIBUNE

$2,100,000,000
Senior Unsecured Bridge Facility

CONFIDENTIAL INFORMATION MEMORANDUM
FOR PUBLIC INVESTORS

Merrill Lynch JPMorgan citi Bank of America

SPECIAL NOTICE FOR PUBLIC INVESTORS

TRIBUNE COMPANY (THE "COMPANY") HAS REPRESENTED THAT THE INFORMATION CONTAINED IN THIS DOCUMENT DOES NOT CONSTITUTE OR CONTAIN ANY MATERIAL NON-PUBLIC INFORMATION WITH RESPECT TO THE COMPANY, ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES ("MNPI") FOR PURPOSES OF FEDERAL AND STATE SECURITIES LAWS. HOWEVER, THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO, AND MUST BE KEPT CONFIDENTIAL IN ACCORDANCE WITH, THE NOTICE TO AND UNDERTAKING BY RECIPIENTS ACCOMPANYING THIS DOCUMENT.

The Recipient of this document has elected not to receive MNPI for the purposes of evaluating whether to become a lender under the proposed credit facilities for the Company. The Recipient acknowledges that Merrill Lynch, Pierce, Fenner & Smith, Incorporated, J.P. Morgan Securities Inc., Citigroup Global Markets Inc., and Banc of America Securities LLC (the "Arrangers") and other potential lenders have received and may continue to receive other information and documents with respect to the Company, its related parties and/or their respective securities that may be material to a decision as to whether to participate in the proposed credit facilities, including information regarding the creditworthiness and business of the Company. The Recipient has independently made the decision to limit the scope of the information it has obtained in connection with its evaluation of the Company, its related parties, their respective securities and/or and the credit facilities and neither the Company nor the Arrangers shall have any responsibility therefor.

Notwithstanding the Recipient's election during the evaluation period to abstain from receiving MNPI, the Recipient acknowledges that ONCE THE RECIPIENT COMMITS TO BECOME OR BECOMES A LENDER UNDER THE PROPOSED CREDIT FACILITIES, JPMORGAN CHASE BANK, N.A. (THE "ADMINISTRATIVE AGENT") AND/OR COMPANY WILL, FROM TIME TO TIME, MAKE AVAILABLE SYNDICATE-INFORMATION (WHICH MAY CONTAIN MNPI) AS REQUIRED BY THE TERMS OF, AND IN THE COURSE OF ADMINISTERING, THE FACILITIES TO THE CREDIT CONTACT(S) IDENTIFIED ON THE RECIPIENT'S ADMINISTRATIVE QUESTIONNAIRE. SUCH CREDIT CONTACT(S) MUST BE ABLE TO RECEIVE AND USE ALL SYNDICATE-LEVEL INFORMATION IN ACCORDANCE WITH THE RECIPIENT'S COMPLIANCE POLICIES AND CONTRACTUAL OBLIGATIONS AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

THE RECIPIENT HEREBY REPRESENTS AND AGREES THAT (I) IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND (II) THAT IT WILL USE AND MAINTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

Company Authorization Letter

TRIBUNE

April 2007

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4 World Financial Center
New York, New York 10080

J.P. Morgan Securities Inc.
270 Park Avenue
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Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013

Banc of America Securities LLC
9 West 57th Street
New York, NY 10019

Ladies and Gentlemen:

Tribune Company ("Tribune", the "Company" or "we") refers to the proposed $2,100 million Senior Unsecured Bridge Facility (the "Bridge Facility") for the Company which you are arranging at our request and the following documents identified by us to be designated as available for "Public-Investors" (which include, term sheet, Confidential Information Memorandum, information supplements, lender slide presentation, draft loan documents and all other documents prepared before or after the date hereof by us or at our request in connection with the Facilities and identified by us in writing (including via email) as reviewed and approved by us for distribution to Public-Investors (collectively, the "Evaluation Material")). We have reviewed or participated in preparing the Evaluation Material and the information contained therein.

The Company represents and warrants that the information contained in the Evaluation Material does not constitute or contain any material non-public information (although it may be confidential, sensitive and proprietary) with respect to the Company or its securities for purposes of United States federal and state securities laws.

The Company has reviewed the Evaluation Material and represents and warrants that the Evaluation Material does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made. Any management projections or forward-looking statements included in the Evaluation Material are based on assumptions and estimates developed by management in good faith and management believes such assumptions and estimates to be reasonable as of the date of such Evaluation Material. Whether or not such projections or forward-looking statements are in fact achieved will depend upon future events some of which are not in our control. Accordingly, actual results may vary from the projections and such variations may be material. The projections included in the Evaluation Material should not be regarded as a representation by us or management that the projected results will be achieved.

We agree that we will rely on, and that you are authorized to rely on, the undertakings, acknowledgments and agreements contained in the Notice to and Undertaking by Recipients accompanying the Evaluation Material or otherwise acknowledged by recipients thereof.

Yours sincerely,

Donald Grenesko
Senior Vice President/Finance and Administration
Tribune Company

Notice to and Undertaking by Recipients

The information and/or documents following this Notice (the "Confidential Information Materials") have been prepared solely for informational purposes from information supplied by or on behalf of Tribune Company and its affiliates (the "Company"), and is being furnished by Merrill Lynch & Co., J.P. Morgan Securities Inc., Citigroup Global Markets Inc., and Banc of America Securities LLC (the "Arrangers") to you in your capacity as a prospective lender (the "Recipient") in considering the proposed Senior Secured Credit Facilities described herein (the "Facilities").

BY ACCEPTING THE CONFIDENTIAL INFORMATION MATERIALS FOR REVIEW THE RECIPIENT AGREES TO BE BOUND BY THE TERMS OF THIS NOTICE AND UNDERTAKING SET FORTH HEREIN AND THE SPECIAL NOTICE ACCOMPANYING THE CONFIDENTIAL INFORMATION MATERIALS (THE "SPECIAL NOTICE"). IF THE RECIPIENT IS NOT WILLING TO ACCEPT THE CONFIDENTIAL INFORMATION MATERIALS AND OTHER EVALUATION MATERIAL (DEFINED BELOW) ON THE TERMS SET FORTH IN THIS NOTICE AND UNDERTAKING AND THE SPECIAL NOTICE, IT MUST IMMEDIATELY TERMINATE ITS ACCESS TO THE INTRALINKS SITE AND RETURN THE CONFIDENTIAL INFORMATION MATERIALS AND ANY OTHER EVALUATION MATERIAL TO THE ARRANGERS IMMEDIATELY WITHOUT REVIEWING THE MATERIALS OR MAKING ANY COPIES THEREOF, EXTRACTS THEREFROM OR USE THEREOF.

I. Confidentiality

As used herein: (a) "Evaluation Material" refers to the Confidential Information Materials and any other information regarding the Company or the Facilities furnished or communicated to the Recipient by or on behalf of the Company in connection with the Facilities (whether prepared or communicated by the Arrangers or the Company, their respective advisors or otherwise) and (b) "Internal Evaluation Material" refers to all memoranda, notes, and other documents and analyses developed by the Recipient using any of the information specified under the definition of Evaluation Material.

The Recipient acknowledges that the Company considers the Evaluation Material to include confidential, sensitive or proprietary information and agrees that it shall use reasonable precautions in accordance with its established procedures to keep the Evaluation Material confidential; provided, however, that (i) it may make any disclosure of such information to which the Company gives its prior written consent and (ii) any of such information may be disclosed to it, its affiliates and their respective partners, directors, officers, employees, agents, advisors and other representatives (collectively, "Representatives") (it being understood that such Representatives shall be informed by it of the confidential nature of such information and shall be directed by the Recipient to treat such information in accordance with the terms of this Notice and Undertaking and the Special Notice). The Recipient agrees to be responsible for any breach of the Notice and Undertaking or the Special Notice that results from the actions or omissions of its Representatives.

The foregoing confidentiality requirements do not apply to (i) any information to the extent it is or becomes generally available to the public other than through the Recipient's breach of this agreement, (ii) any information that is available to the Recipient from a source other than the Company, provided that such source is not known to the Recipient to be subject to any obligations of confidentiality to the Company or its agents, (iii) any disclosure to the extent required by law or regulation or administrative or other legal process or to the extent requested by regulatory or governmental authorities, (iv) any disclosure that is consented to by the Company or (v) any information that is independently developed by the Recipient without use of or reliance on the Evaluation Material.

In the event that the Recipient of the Evaluation Material decides not to participate in the transaction described herein, upon request of the Arrangers, such Recipient shall as soon as practicable return all Evaluation Material (other than Internal Evaluation Material) to the Arrangers or represent in writing to the Arrangers that the Recipient has destroyed all copies of the Evaluation Material (other than Internal Evaluation Material).

II. Information

The Recipient acknowledges and agrees that (i) the Arrangers received the Evaluation Material from third party sources (including the Company) and it is provided to the Recipient for informational purposes only, (ii) the Arrangers and its affiliates bear no responsibility (and shall not be liable) for the accuracy or completeness (or lack thereof) of the Evaluation Material or any information contained therein, (iii) no representation regarding the Evaluation Material is made by the Arrangers or any of their respective

affiliates, (iv) none of the Arrangers or any of their respective affiliates has made any independent verification as to the accuracy or completeness of the Evaluation Material, and (v) the Arrangers and their respective affiliates shall have no obligation to update or supplement any Evaluation Material or otherwise provide additional information.

The Evaluation Material has been prepared to assist interested parties in making their own evaluation of the Company and the Facilities and does not purport to be all-inclusive or to contain all of the information that a prospective participant may consider material or desirable in making its decision to become a lender. Each Recipient of the information and data contained herein should take such steps as it deems necessary to assure that it has the information it considers material or desirable in making its decision to become a lender and should perform its own independent investigation and analysis of the Facilities or the transactions contemplated thereby and the creditworthiness of the Company. The Recipient represents that it is sophisticated and experienced in extending credit to entities similar to the Company. The information and data contained herein are not a substitute for the Recipient's independent evaluation and analysis and should not be considered as a recommendation by the Arrangers or any of their respective affiliates that any Recipient enter into the Facilities.

The Evaluation Material may include certain forward looking statements and projections provided by the Company. Any such statements and projections reflect various estimates and assumptions by the Company concerning anticipated results. No representations or warranties are made by the Company or any of its affiliates as to the accuracy or completeness of any such statements or projections. Whether or not any such forward looking statements or projections are in fact achieved will depend upon future events some of which are not within the control of the Company. Accordingly, actual results may vary from the projected results and such variations may be material. Statements contained herein describing documents and agreements are summaries only and such summaries are qualified in their entirety by reference to such documents and agreements.

III. General

It is understood that unless and until a definitive agreement regarding the Facilities between the parties thereto has been executed, the Recipient will be under no legal obligation of any kind whatsoever with respect to the Facilities by virtue of this Notice and Undertaking except for the matters specifically agreed to herein and in the Special Notice.

The Recipient agrees that money damages would not be a sufficient remedy for breach of this Notice and Undertaking or the Special Notice, and that in addition to all other remedies available at law or in equity, the Company and the Arrangers shall be entitled to equitable relief, including injunction and specific performance, without proof of actual damages.

This Notice and Undertaking and the Special Notice together embody the entire understanding and agreement between the Recipient and the Arrangers with respect to the Evaluation Material and the Internal Evaluation Material and supersedes all prior understandings and agreements relating thereto. The terms and conditions of this Notice and Undertaking and the Special Notice shall apply until such time if any as you become a party to the definitive agreements regarding the Facilities and thereafter the provisions relating to confidentiality contained in such agreements shall govern. If you do not enter into the Facilities, the application of this Notice and Undertaking and the Special Notice shall terminate with respect to all Evaluation Material on the date falling one year after the date hereof.

This Notice and Undertaking and the Special Notice shall be governed by and construed in accordance with the law of the State of New York, without regard to principles of conflicts of law (except Section 5-1401 of the New York General Obligation Law to the extent that it provides that the law of the State of New York shall govern).

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Table of contents

1. Executive Summary

In May 2006, Tribune Company ("Tribune" or the "Company") announced that it would take steps to further enhance shareholder value. Since then, the Company has repurchased 23% of its shares for $2.3 billion, announced the sale of over $500 million of non-core assets and announced a plan to reduce $200 million in annual costs. In September 2006, Tribune's Board of Directors formed an independent special committee (the "Special Committee") to conduct a process for exploring strategic alternatives. The Company conducted a rigorous and thorough strategic review, involving external legal and financial advisors.

On April 2, 2007, Tribune announced a transaction which will result in the Company going private and Tribune shareholders receiving $34 per share (the "Transaction"). EGI-TRB, LLC, a newly created LLC ("Zell Entity" or "Zell") wholly owned by Sam Investment Trust, a trust established for the benefit of Sam Zell ("Mr. Zell") and his family, is supporting the transaction with a $315 million investment guaranteed by Mr. Zell. The Transaction will be completed in two stages. Upon completion of the Transaction, the Company will be privately held, with an Employee Stock Ownership Plan ("ESOP") owning all of Tribune's then-outstanding common stock and Zell Entity holding a subordinated note and a warrant entitling it to acquire approximately 43% of the common stock of The Company, or 40% on a fully diluted basis taking into account an 8% management equity incentive pool. Mr. Zell will join the Tribune board on or before May 9, 2007 and will become Chairman of the Board upon closing of the merger.

Company highlights

Tribune is a leading diversified media and entertainment company, operating primarily in the United States, which conducts its operations through two business segments: (i) Publishing and (ii) Broadcasting and Entertainment. Tribune Publishing owns and operates 11 daily newspapers, including interactive websites, and represented 74% of the Company's consolidated revenues in 2006. Broadcasting and Entertainment owns and operates 23 television stations, one radio station, the Chicago Cubs and Tribune Entertainment, and represented 26% of the Company's consolidated revenues in 2006. For the twelve months ended March 31, 2007, Tribune generated revenues of approximately $5.4 billion and pro forma Adjusted EBITDA of approximately $1.4 billion.

In publishing, Tribune's leading daily newspapers include the *Los Angeles Times, Chicago Tribune, Newsday (Long Island, N.Y.), The Sun (Baltimore), South Florida Sun-Sentinel, Orlando Sentinel and Hartford Courant*. The Company's broadcasting group operates 23 broadcast television stations, Superstation WGN on national cable, Chicago's WGN-AM and the Chicago Cubs baseball team. Tribune's television properties include WGN in Chicago, IL, WPIX in New York, NY and KTLA in Los Angeles, CA. Popular news and information websites complement Tribune's print and broadcast properties and extend the Company's nationwide audience. Tribune also has equity investments in valuable properties such as TV Food Network, CareerBuilder and Classified Ventures.

Investment highlights

Significant Scale in Both Publishing and Broadcasting

- Second largest U.S. newspaper group by circulation and revenue with leading metropolitan dailies in 9 major markets
- More than 130 targeted niche publications
- 23 major-market television stations and Superstation WGN
- 50 websites with over 14 million monthly unique visitors

Broad National Reach in Top Markets

- Reaches more than 80% of U.S. households
- Deep relationships with local advertisers and consumers, sustainable competitive advantage

Diversified Across Businesses and Markets

- Operates in 9 major markets for Publishing and 19 major markets for Broadcasting

Strong Free Cash Flow Available to Pay Down Debt

- Significant free cash flow available for debt service/repayment and to invest in its business
- Demonstrated consistent ability to delever and return capital to shareholders
- Declining capital expenditure needs driven by completion of various high-cost upgrade programs in publishing and broadcasting
- Significant net proceeds from sale of Cubs and Comcast SportsNet Chicago will be used to reduce debt

Demonstrated Ability to Aggressively Manage Costs

- In 2005/2006 management planned and achieved annual cost reductions of $190 million
- Over the next two years, management plans an additional $200 million of annual cost reductions

Rapid Growth of Interactive Businesses

- Through partnerships with other media companies, built market leading advertising and content networks such as CareerBuilder, Cars.com, and Apartments.com
- Interactive revenues increased by a 34% CAGR between 2003 and 2006

Valuable Separable Assets

- Significant value in individual newspapers and television stations
- Demonstrated the ability to sell assets in order to focus on core business and generate free cash flow

Valuable Equity Investments

- Tribune's principal equity investments provide additional value, profitability and future growth
- Major investments include TV Food Network, CareerBuilder, Classified Ventures, ShopLocal and Topix

Benefits of ESOP / S Corp Structure

- S Corp election, coupled with the ESOP, creates NPV of approximately $1 billion from tax savings over the next 10 years
- Reduction in annual cash costs of approximately $80 million
  - $60 million from elimination of Company 401(k) cash contributions
  - $20 million from reduction in public company and other costs
- Motivate employees who participate in the ESOP by giving them significant ownership of the Company

Experienced Management Team

- Tribune's senior management team has an average of 20 years working at Tribune
- Management equity incentive plan serves as an important retention tool and motivates management to continuously seek ways to create value

Strong Investment Sponsor

- Zell reputation for partnership and support of portfolio investments and capital markets
- Non-institutional nature of capital allows for greater patience, planning and flexibility
- Significant experience with challenging and changing business environments

Zell investment thesis

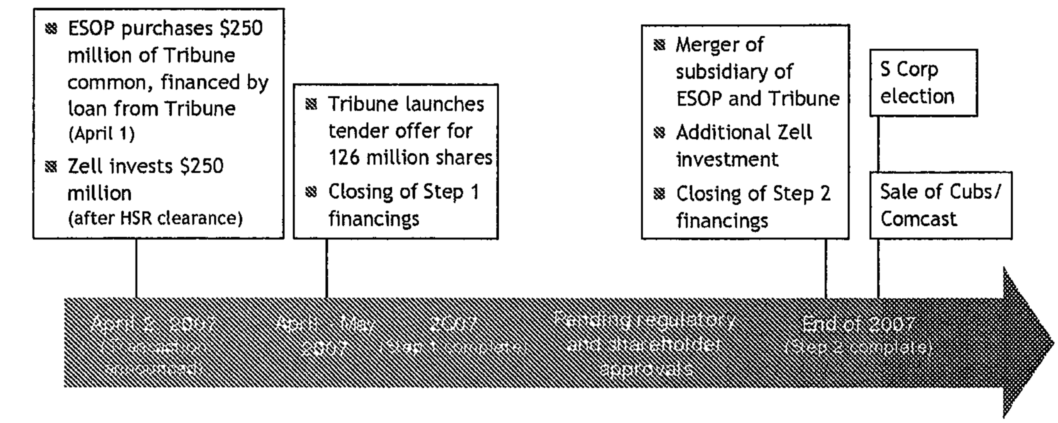
Equity Group Investments, L.L.C. ("EGI") is a long-term investor that seeks to influence the strategic direction of its investments by forming a partnership with companies at the board and senior management level.

The structure of EGI, as well as Mr. Zell's approach to deploying capital provided an opportunity to develop a unique investment structure and to partner with Tribune and its employees. Given the fundamental changes occurring in publishing and in the media industry generally, the value of long-term, non-institutional capital is greatly enhanced. Mr. Zell's ability to bring this type of capital, his willingness to engage deeply and directly in the leadership of Tribune and the alignment of his economic interest with that of the ESOP assure a collaborative approach to the opportunities and challenges facing the Company. These benefits are further enhanced by the going private nature of the transaction, as the Company will be able to make decisions in a more strategic fashion than it previously has been able to do.

Mr. Zell's current view is that the core operating assets and senior management of the Company should be retained as the best way to create further value for all constituents. In conjunction with management, Mr. Zell and his team at EGI will review the entire asset portfolio of Tribune and, to the extent they believe greater value can be realized through disposition, Mr. Zell would seek to achieve appropriate disposition transactions. The proposed sale of the Chicago Cubs and Tribune's interest in Comcast SportsNet Chicago is an example of this strategy.

Transaction highlights

Transaction timeline



Transaction summary

- Zell Entity and Tribune ESOP take Tribune private through a two-step transaction
- Zell Entity invested $250 million in Step 1; total investment increases to $315 million in Step 2
- Tribune ESOP borrowed $250 million from the Company to buy common shares in Step 1; subsidiary of ESOP merges with Tribune, and Tribune continues as the surviving corporation wholly owned by the ESOP in Step 2
- Tribune shareholders receive $34 per share in cash
  - 126 million shares repurchased in Step 1
  - Remaining 127 million shares converted to cash in Step 2
- Chicago Cubs and interest in Comcast SportsNet Chicago to be sold

In conjunction with the Transaction, Tribune has engaged J.P. Morgan Securities Inc. ("JPMorgan"), Merrill Lynch Capital Corporation ("Merrill Lynch"), Citigroup Global Markets Inc. and/or its affiliates ("Citi") and Banc of America Securities LLC and/or its affiliates ("BAS") as Lead Arrangers and Joint Bookrunners, and J.P. Morgan Chase Bank, N.A. as Administrative Agent, to arrange $8,028 million of Senior Secured Credit Facilities in Step 1 of the transaction consisting of (i) a $750 million 6-year Senior Secured Revolving Credit Facility (the "Revolving Credit Facility"), (ii) a $7,015 million 7-year Senior Secured Term Loan B Facility (the "Term Loan B") and (iii) a $263 million Senior Secured Delayed Draw Term Loan Facility that will be used to repay Medium Term Note maturities in 2008 (the "Delayed Draw Term Loan" and together with the Term Loan B, the "Term Loan Facilities", and together with the Revolving Credit Facility, the "Step 1 Financings"). In Step 2 of the transaction, Tribune will raise $4,205 million of new debt consisting of (i) a $2,105 million Senior Secured Incremental Facility maturing concurrently with the Term Loan B (the "Incremental Facility") and (ii) a $2,100 million Senior Unsecured Bridge Facility (the "Bridge Facility"), which may be refinanced with the issuance by the Company of $2,100 million Senior Unsecured Notes (collectively, the "Step 2 Financings").

Step 1 sources and uses and pro forma capitalization

The following table summarizes the estimated sources and uses of funds for Step 1.

Step 1 Sources and uses ($ millions)

Sources		Uses	
New Revolving Credit Facility ($750mm)	$0	Share Repurchase	$4,288
New Term Loan B	7,015	Refinance Existing Debt	2,825
New Delayed Draw Term Loan B ($263mm)	0	Roll Existing Debt	1,519
Roll Existing Debt	1,519	PHONES[1]	930
PHONES[1]	930	Transaction and Financing Fees	152
Zell Investment[2]	250		
Total sources	$9,714	Total uses	$9,714

Share repurchase	
Total Share Repurchase Amount	$4,288
Repurchase Price per Share	$34.00
No. of shares repurchased	126.1
Zell Common Shares issued at $34.00/sh	1.5
PF basic shares O/S (incl. Zell shares)	115.7

[1] Represents $1.256 billion original principal value net of the current market value of Time Warner shares

[2] Used to purchase $50mm of newly-issued Tribune common stock for $34/share and $200mm of a note which is exchangeable into shares of common stock at the Company's election or automatically upon certain circumstances

The following table outlines the Company's pro forma capital structure after Step 1.

Step 1 pro forma debt capitalization ($ millions)	3/31/2007 Actual	Step 1 Adjustments	3/31/2007 Pro Forma
Cash and Cash Equivalents	$182	–	$182
Revolving Credit Facility ($750mm)	–	–	-
New Term Loan B	–	$7,015	$7,015
1st Priority Guaranteed Debt	$0		$7,015
New Senior Notes/Bridge Facility	–	–	-
Guaranteed Debt	$0		$7,015
Commercial Paper	–	–	-
Term Loan A	1,500	(1,500)	-
Bridge Facility	1,325	(1,325)	-
Medium Term Notes/Delayed Draw Term Loan	263	–	$263
Existing Notes	1,166	–	1,166
Capitalized Real Estate Obligation	51	–	51
Swap and Other Obligations	40	–	40
Senior Debt	$4,344		$8,534
PHONES[1]	930	–	930
Total debt	$5,274		$9,464
Credit statistics			
LTM PF Adjusted EBITDA[2]	$1,414		$1,414
LTM Total Interest Expense[3]	$308		$746[4]
LTM PF Adj EBITDA/Total Interest Expense	4.59x		1.89x
1st Priority Guaranteed Debt/LTM PF Adj EBITDA	--		4.96x
Guaranteed Debt/LTM PF Adj EBITDA	--		4.96x
Senior Debt/LTM PF Adj EBITDA	3.07x		6.04x
Total Debt/LTM PF Adj EBITDA	3.73x		6.69x

Note: Adjusted EBITDA is calculated as Operating Cash Flow ("OCF") before stock-based compensation plus cash received from equity investments and incremental cash cost savings

[1] Represents $1.256 billion original principal value net of the current market value of Time Warner shares

[2] LTM reflects 2006 53 week results

[3] Includes amortization of debt issuance costs and non-cash interest of PHONES

[4] Pro forma total interest expense for Step 1

Step 2 sources and uses and pro forma capitalization

The following table summarizes the estimated sources and uses of funds for Step 2.

Step 2 Sources and uses ($ millions)			
Sources		**Uses**	
Revolving Credit Facility ($750mm)	$0	Purchase Equity	$4,261
Roll Existing Bank Debt[1]	6,712	Roll Existing Bank Debt[1]	6,712
Incremental Facility	2,105	Rolled Existing Notes[2]	1,507
New Senior Notes/Bridge Facility	2,100	PHONES[3]	930
Rolled Existing Notes[2]	1,507	Financing and Other Fees	120
PHONES[3]	930	Redeem Zell Exchange Notes	200
Option Proceeds[4]	215	Redeem Zell Common Equity	50
Zell Investment[5]	315	Cash Distri. Triggered by Change of Control[7]	104
Total sources	$13,884	Total Uses	$13,884
Less: Cash Proceeds from Cubs/Comcast	($602)	**Share Repurchase**	
Total PF Debt at Q4 '07	$12,752	Total Share Repurchase Amount	$4,261
		Zell Share Repurchase Amount	50
Less: PV of Tax Savings[6]	(1,056)	Repurchase Price per Share	$34.00
Total PF Adj. Debt at Q4 '07	$11,696	No. of Basic Shares + ITM Options[8] Repurchased	126.8

[1] Assumes Q2-Q4 cash flows and excess cash are used toward the paydown of the Term Loan B

[2] Amount reflects year end 2007 existing notes balance after scheduled amortization for 9 months from 3/31/07 to 12/31/07

[3] Represents $1.256 billion original principal value net of the current market value of Time Warner shares

[4] Includes $15mm of tax benefits in 2007

[5] Zell redeems initial investment of $250mm and makes a new investment of $315mm in the form of $225mm of subordinated notes and $90mm for a 15-year warrant

[6] Calculated as the 10-Year PV of Tax Savings from S Corp election discounted at a weighted average cost of capital of 7.5%

[7] Payments related to deferred compensation, non-qualified retirement and transitional compensation plans

[8] Assumes a 12/31/07 closing date. Includes 1.5mm of newly issued shares to Zell in Step 1

The following table outlines the Company's pro forma capital structure after Step 2.

Step 2 pro forma debt capitalization ($ millions)			Pro Forma 12/31/07	
	Projected 12/31/07	Step 2 Adjustments	No asset sales	w/asset sales
Cash and cash equivalents	$175		$175	$175
Revolving Credit Facility ($750mm)	–		–	–
New Term Loan B[1]	$6,712	$2,105	$8,817	$8,215[2]
1st Priority Guaranteed debt	$6,712		$8,817	$8,215
Bridge Facility/New Senior Notes	–	2,100	2,100	2,100
Guaranteed debt	$6,712		$10,917	$10,315
Medium Term notes	$263		$263	$263
Existing notes	1,166		1,166	1,166
Capitalized Real Estate obligation	36		36	36
Swap and other obligations	43		43	43
Senior debt	$8,219		$12,424	$11,822
PHONES[3]	930		930	930
Total debt	$9,149		$13,354	$12,752
Less: PV of Cost Savings[4]	–	(1,056)	(1,056)	(1,056)
Total adjusted debt	$9,149		$12,298	$11,696
Credit statistics				
LTM PF Adjusted EBITDA	$1,391		$1,471[5]	$1,434[5,6]
LTM Total Interest expense[7]	693[8]		$1,030[9]	$986[9]
LTM PF Adj EBITDA/total interest expense	2.01x		1.43x	1.45x
1st Priority Guaranteed debt/LTM PF Adj EBITDA	4.83x		5.99x	5.73x
Guaranteed debt/LTM PF Adj EBITDA	4.83x		7.42x	7.19x
Senior debt/LTM PF Adj EBITDA	5.91x		8.45x	8.24x
Total debt/LTM PF Adj EBITDA	6.58x		9.08x	8.89x
Total Adj debt/LTM PF Adj EBITDA	6.58x		8.36x	8.16x

Note: Adj. EBITDA is calculated as Operating Cash Flow ("OCF") before stock-based compensation plus cash received from equity investments and $80mm of incremental cash cost savings

[1] Assumes Q2-Q4 cash flows and excess cash are used toward the paydown of the Term Loan B

[2] Assumes $602mm of net cash proceeds are used toward the paydown of the Term Loan B

[3] Represents $1.256 billion original principal value net of the current market value of Time Warner shares

[4] Calculated as the 10-Year PV of Tax Savings from S Corp election discounted at a weighted average cost of capital of 7.5%

[5] Pro forma for $80mm of incremental cash cost savings

[6] Assumes sale of Cubs/Comcast SportsNet reduces Adjusted EBITDA by $36 million

[7] Includes amortization of debt issuance costs and non-cash interest of PHONES

[8] Pro forma total interest expense for Step 1

[9] Pro forma total interest expense for Step 2

The following table outlines the equity support after Step 2.

Step 2 pro forma equity support ($ millions)			
Type of Security	Amount	% Cap	% Cumulative
New Term Loan B[1]	$8,215	58.2%	
New Senior Notes/Bridge Facility	2,100	14.9	
Guaranteed debt	$10,315	73.0%	
Capitalized real estate Obligations	36	0.3	
Swap and other obligations	43	0.3	
Equity Support			
Zell investment	315	2.2	2.2%
PV of tax savings	1,056	7.5	9.7
Existing Notes maturing before New Notes	1,121	7.9	17.6
Existing Notes maturing after New Notes	308	2.2	19.8
PHONES debt[2]	930	6.6	26.4
Total equity support	$3,730	26.4%	
Total capitalization	$14,124	100.0%	

[1] Assumes Q2-Q4 cash flows, and excess cash and $602mm of net cash proceeds from asset sales are used toward the paydown of the Term Loan B

[2] Represents $1.256 billion original principal value net of the current market value of Time Warner shares

Credit ratings

The ratings were affirmed on Monday April, 23rd as follows:

Step 1 and Step 2 credit ratings				
	Step 1		Step 2	
	Moody's	S&P	Moody's	S&P
Corporate/Issuer Ratings	Ba3	BB-	B2	B
Senior Secured	Ba2	BB-	B1	B
Outlook	Review for Downgrade	Negative Watch	Stable	Stable

Description of the Facilities

The Step 1 Facilities will consist of (i) a $750 million Revolving Credit Facility ("Revolving Credit Facility"), (ii) a $7,015 million Term Loan B ("Term Loan B"), and (iii) a $263 million Delayed Draw Term Loan ("Delayed Draw Term Loan"). Loans under the Revolving Credit Facility will be used for working capital and general corporate purposes of the Company and its subsidiaries. All of the proceeds of the Term Loan B will be used to finance the Step 1 Share Repurchase, to refinance existing bank debt and to pay related fees and expenses. All of the proceeds of the Delayed Draw Term Loan will be used to refinance Tribune's outstanding $263 million medium term notes due 2008.

Step 1 summary of Facilities ($ millions)				
Facility	Committed	Tenor	Undrawn	Drawn
Revolving Credit Facility	$750	6 years	50 bps[1]	L+250 bps[1,3]
Term Loan B[2]	7,015	7 years	—	L+250 bps[3]
Delayed Draw Term Loan[2]	263	7 years	75 bps	L+250 bps[3]
Total	$8,028			

[1] Subject to leverage based pricing grid

[2] Term Loan B and Delayed Draw Term Loan amortize at 1% per annum with quarterly installments, bullet at maturity

[3] Subject to one-time 25 bps step-down with corporate ratings upgrade to B1/B+ or better, only if Step 2 not consummated

The Step 2 Facilities will consist of (i) a $2,105 million Incremental Facility ("Incremental Facility") and (ii) a $2,100 million Senior Unsecured Bridge Facility ("Bridge Facility") or New Senior Notes ("New Senior Notes"). All of the proceeds of the Incremental Facility and Bridge Facility/New Senior Notes will be used to finance the repurchase of Tribune shares other than the shares held by ESOP, to redeem the Zell exchangeable notes and to pay certain fees and expenses. The Senior Secured Credit Facilities will be marketed concurrently with the Bridge Facility.

Step 2 summary of Facilities ($ millions)			
Facility	Committed	Tenor	Drawn
Incremental Facility	2,105	7 years[2]	L+250 bps
Bridge Facility/New Senior Notes[1]	2,100	1+7 years[3]	L+450 bps
Total	$4,205		

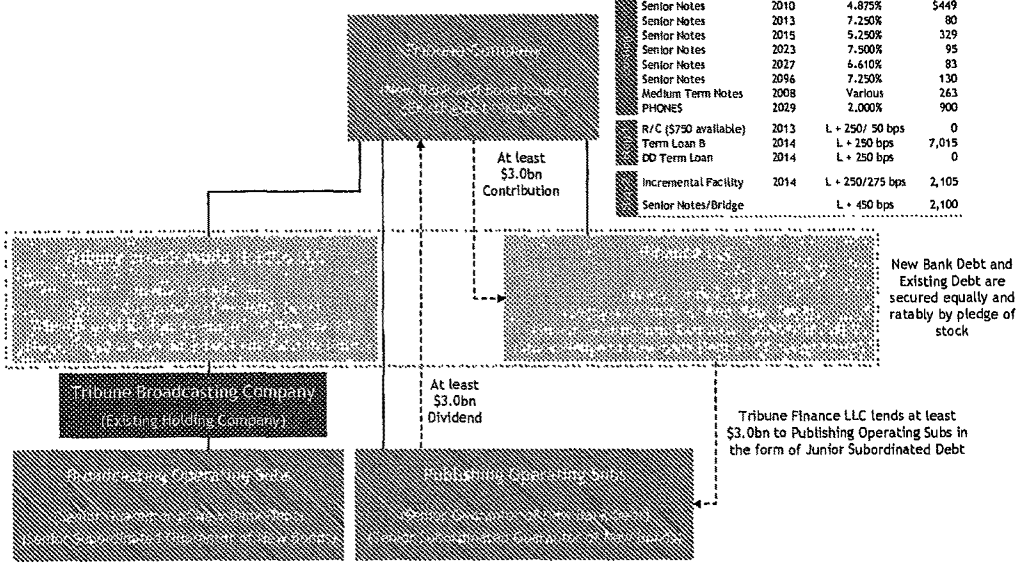
[1] Tenor and pricing based on Bridge Facility

[2] Matures on the same date as the Term Loan B

[3] If initial loans under Bridge Facility are extended, matures one year after the Term Loan B

Borrower and guarantees

Organizational structure



Debt instrument	Maturity	Coupon	3/31/07 Amount
Senior Notes	2010	4.875%	$449
Senior Notes	2013	7.250%	80
Senior Notes	2015	5.250%	329
Senior Notes	2023	7.500%	95
Senior Notes	2027	6.610%	83
Senior Notes	2096	7.250%	130
Medium Term Notes	2008	Various	263
PHONES	2029	2.000%	900
R/C ($750 available)	2013	L + 250/ 50 bps	0
Term Loan B	2014	L + 250 bps	7,015
DD Term Loan	2014	L + 250 bps	0
Incremental Facility	2014	L + 250/275 bps	2,105
Senior Notes/Bridge		L + 450 bps	2,100

The borrower of the Facilities will be Tribune (the "Borrower"). As part of the transaction, Tribune Broadcasting Holdco LLC ("Tribune Broadcasting Holdco LLC") and Tribune Finance LLC ("Finance LLC") will be formed and will be the Senior Guarantors of the Step 1 Facilities and the Incremental Facility (together, the "Bank Facilities") and Junior Guarantor of the Bridge Facility/New Senior Notes. The Bank Facilities will also receive senior guarantees, while the Bridge Facility/New Senior Notes will receive senior subordinated guarantees, from each of the Borrower's Broadcasting and Publishing U.S. operating subsidiaries (subject to certain exceptions). The existing notes, debentures and PHONES will not receive guarantees.

Security package

The Borrower's obligations will be secured by the pledge of all of the capital stock of Finance LLC and Tribune Broadcasting Holdco LLC. The existing notes and debentures will be secured equally and ratably by the pledge of capital stock of Finance LLC and Tribune Broadcasting Holdco LLC as required by the indentures of the existing notes and debentures. Finance LLC will lend at least $3.0 billion in the form of junior subordinated debt to Publishing operating subsidiaries. The Publishing operating subsidiaries will in turn, dividend the amount to the Borrower, who will use the proceeds to consummate the Step 1 transaction. Since the only asset of Finance LLC is the junior subordinated debt, the Bank Facilities and the Bridge Facility will have priority ahead of the existing notes and debentures in the event of default by virtue of having senior and senior subordinated guarantees, respectively, from certain operating subsidiaries.

Amortization and maturity

The Term Loan B, the Delayed Draw Term Loan, and the Incremental Facility will amortize at 1% per annum with quarterly installments and a bullet at maturity. The Revolving Credit Facility will mature six years from the Step 1 closing date. The Term Loan B, the Delayed

Draw Term Loan and the Incremental Facility will mature seven years from the Step 1 closing date.

Prepayments

The Borrower will be permitted to make voluntary prepayments at any time, at par plus accrued and unpaid interest, of the Bank Facilities. The Borrower will be required to make mandatory prepayments of the Bank Facilities, first to be applied to the Term Loan Facilities with:

- 100% of post-closing debt issuances or sale and lease-back proceeds
- 50% of excess cash flow with leveraged based step-downs
- 100% of the net cash proceeds from all non-ordinary course asset sales, subject to reinvestment provisions and carve-outs
- Net cash proceeds from the Zell Special Contribution if the S Corp election is not made by March 15, 2008

Covenants

The Bank Facilities will be governed by two financial covenants:

Maintenance-based financial covenants					
After Step 1 closing	2007	2008	2009	2010	Thereafter
Minimum Interest Coverage	1.75x	2.00x	2.00x	2.00x	2.00x
Maximum Total Guaranteed Debt Leverage	6.25x	6.00x	5.75x	5.50x	5.25x
After Step 2 closing					
Minimum Interest Coverage	1.10x	1.15x	1.20x	1.25x	1.25x
Maximum Total Guaranteed Debt Leverage	9.00x	9.00x	8.75x	8.50x	8.25x

Other covenants and conditions include:

- Elimination of Company 401(k) cash contributions except to certain union groups
- Election and maintenance of S Corp status

In addition, as a requirement under the Step 1 Financings to allow the merger, if the S Corp election is not made by March 15, 2008, Zell has agreed to invest up to $100 million in additional junior capital of Tribune less certain potential adjustments

For a more detailed description of the Facilities, please refer to Summary of Terms & Conditions and Commitment Letter, including Conditions Precedent, that are posted separately to IntraLinks.

Existing debt

Medium Term Notes and existing Senior Notes

$263 million of Medium Term Notes ("MTNs") will be refinanced by Delayed Draw Term Loan in 2008. The $25 million 6.35% MTNs, $168 million 5.50% MTNs and $70 million 5.67% MTNs mature on 2/1/2008, 10/6/2008 and 12/8/2008, respectively. The remaining $1.2 billion of existing senior notes and debentures will be rolled, of which $308 million will mature after the maturity of the Bridge Facility/New Senior Notes, while approximately $858 million will mature before the maturity of Bridge Facility/New Senior Notes. The Company expects to repay these existing notes on their respective maturity dates from operating cash flow.

The existing senior notes will be secured equally and ratably by the pledge of capital stock of Finance LLC and Tribune Broadcasting Holdco LLC, as required by the indentures of the existing notes and debentures, but will not benefit from any guarantees. As a result, in the event of default, the existing senior notes and debentures will be structurally subordinated to the Bank Facilities and the Bridge Facility/New Senior Notes because the new debt will be guaranteed by certain of Tribune's U.S. subsidiaries, including operating subsidiaries.

2% PHONES debt related to Time Warner stock

In 1999, Tribune issued 8 million PHONES for an aggregate principal amount of approximately $1.25 billion. The principal amount was equal to the value of 16 million shares of Time Warner common stock at the closing price of $78.50 per share on April 7, 1999. Quarterly interest payments are made to the PHONES holders at an annual rate of 2% of the initial principal. Principal payments are made in an amount equal to any dividends declared on the 16 million shares of Time Warner common stock.

The Company may redeem the PHONES at any time for the higher of the principal value of the PHONES ($156.47 per PHONES at December 31, 2006) or the then market value of two shares of Time Warner common stock, subject to certain adjustments. At any time, holders of the PHONES may exchange a PHONES for an amount of cash equal to 95% (or 100% under certain circumstances) of the market value of two shares of Time Warner common stock. The market value per PHONES as of April 24, 2007 was $66.50, and the market value of two shares of Time Warner common stock was $41.96.

At December 31, 2006, the book value of the PHONES was approximately $573 million and the market value of 16 million shares of Time Warner stock related to the PHONES was approximately $348 million. The principal outstanding is approximately $1.25 billion and principal net of the current market value of Time Warner shares is approximately $930 million.

Summary historical financial results

Consolidated historical financial performance ($ millions)[1]	2003	2004[2]	2005[3]	2006 (52wk)[4]
Revenues				
Publishing	$4,037	$4,130	$4,097	$4,025
Broadcasting & Entertainment	1,457	1,502	1,414	1,408
Total Revenues	$5,494	$5,631	$5,511	$5,433
Operating Cash Flow				
Publishing	$1,062	$1,036	$986	$947
Broadcasting & Entertainment	538	563	466	443
Corporate	(51)	(51)	(50)	(50)
Total Operating Cash Flow[1]	$1,548	$1,548	$1,401	$1,339
Cash Received from Equity Investments	17	14	49	65
Adjusted EBITDA[5]	$1,565	$1,562	$1,450	$1,404
Capital Expenditures	194	217	206	222
Pre-Tax Unlevered Free Cash Flow	$1,371	$1,345	$1,244	$1,182
Publishing OCF Margin	26.3%	25.1%	24.1%	23.5%
Broadcasting OCF Margin	36.9%	37.5%	32.9%	31.5%

Source: Company data. Includes results of SCNI, Hoy New York and Cubs/Comcast SportsNet Chicago

[1] Reflects Tribune's Reported Revenues and Operating Cash Flows adjusted for one-time, non-recurring items described below and pro forma to exclude divested TV stations (Albany, Atlanta and Boston) and Denver Radio and excludes stock-based compensation

[2] 2004 adjusted to exclude approximately $41mm of severance expense and approximately $90mm settlement with advertisers in connection with misstated circulation numbers at *Newsday*

[3] 2005 adjusted to exclude approximately $45mm of severance expense, approximately $18mm pension curtailment gain, approximately $6mm of operating costs (excl. D&A) and approximately $16mm of accelerated D&A from the closing of the San Fernando Valley printing facility

[4] 2006 adjusted to exclude approximately $20mm of severance and other payments associated with new union contracts at *Newsday*, $9mm of additional severance expense, a $4mm charge for the disposition of a press, $7mm of gains from property sales and a $7mm gain from the sale of the corporate airplane

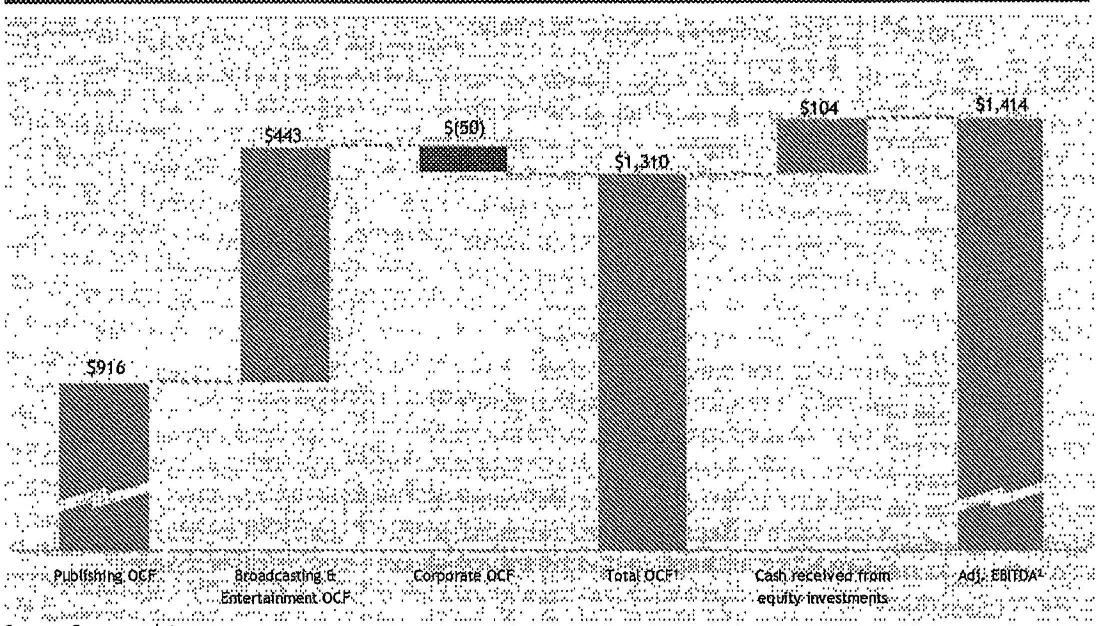
[5] Operating cash flow before stock-based compensation plus cash received from equity investments

Q1 Results ($ millions)	Q1 2006	Q1 2007	% Change
Operating revenues			
Publishing			
Advertising	$778	$731	(6)%
Circulation	144	135	(7)%
Other	63	66	5%
Total publishing	$985	$931	(5)%
Broadcasting & entertainment	284	283	--
Total revenues	1,269	1,215	(4)%
Operating cash expenses[1]			
Publishing	$756[2]	$747[3]	(1)%
Broadcasting & entertainment	205	209	2%
Corporate	20	19	(4)%
Total operating cash expenses	$981	$975	(1)%
Operating cash flow			
Publishing	$229	$185	(19)%
Broadcasting & entertainment	80	74	(7)%
Corporate	(20)	(19)	(4)%
Total operating cash flow	$289	$240	(17)%
Equity investments	$7	$13	59%
Interest expense	(49)	(83)	71%
Diluted EPS	$0.38	$0.28	(26)%

1. Includes stock-based compensation
2. Excludes charge of $19 million for severance and other payments associated with the new union contracts at Newsday and $2 million
3. Excludes charge of $1 million for severance

3/31/07 LTM Adjusted EBITDA build-up

Adjusted EBITDA build-up ($ millions)



Source: Company data

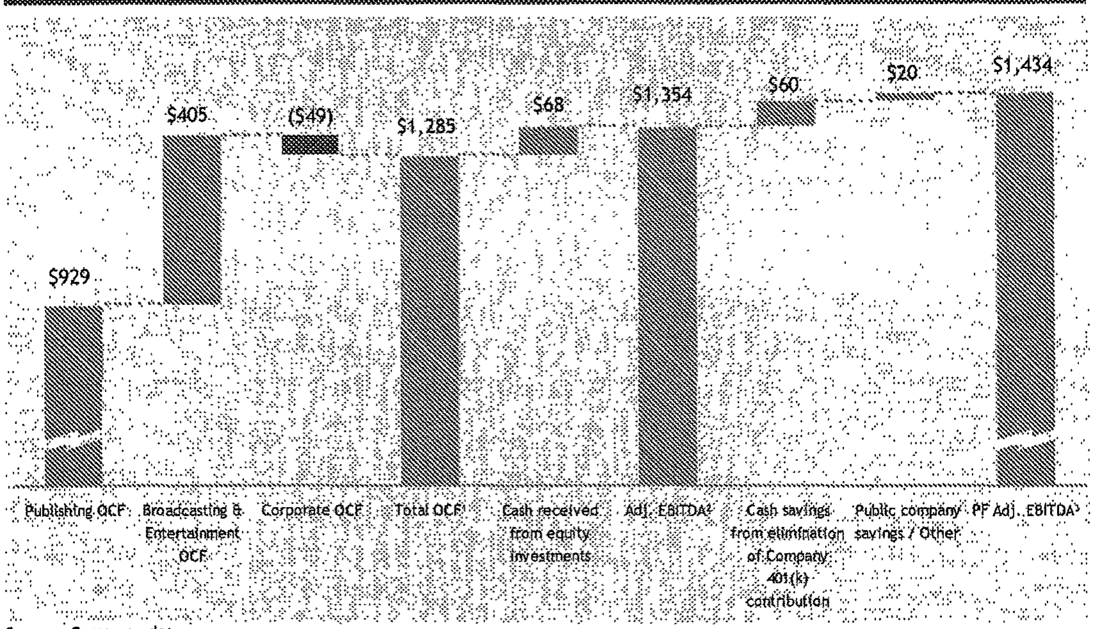
Note: Adjusted to exclude approximately $9mm of additional severance expense, a $4mm charge for the disposition of a press, $7mm of gains from property sales and a $7mm gain from the sale of the corporate airplane; LTM reflects 2006 53 week results

[1] Reflects Tribune's Reported Revenues and Operating Cash Flows adjusted for one-time, non-recurring items described above and pro forma to exclude divested TV stations (Albany, Atlanta and Boston); Also, excludes stock-based compensation

[2] Operating cash flow before stock-based compensation plus cash received from equity investments

12/31/07 Pro forma LTM Adjusted EBITDA build-up

Pro forma Adjusted EBITDA build-up ($ millions)



Source: Company data

[1] Pro forma for the sale of SCNI and Cubs/Comcast

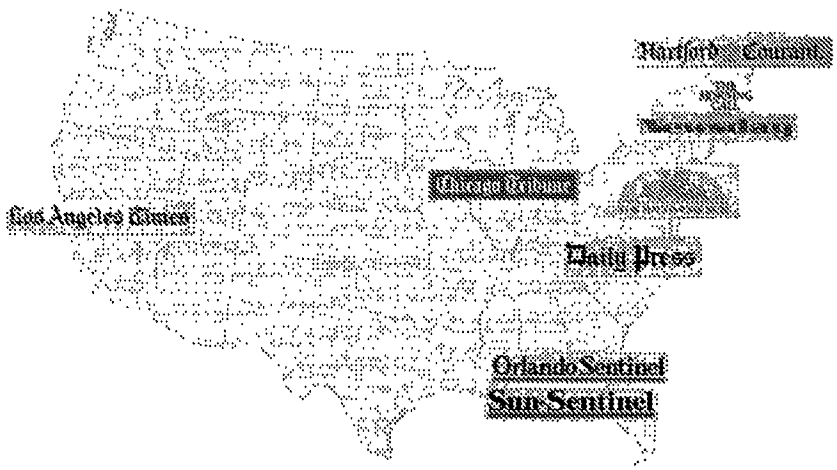
[2] Operating cash flow before stock-based compensation plus cash received from equity investments

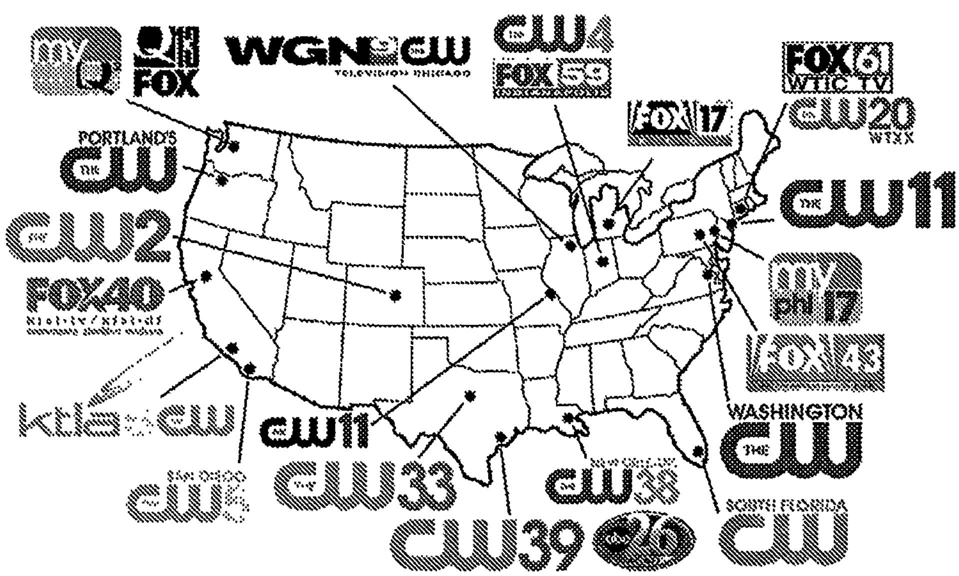
[3] Includes cash savings from elimination of Company 401(k) cash contributions and reduction in public company and other costs

2. Key investment highlights

Significant scale in both publishing and broadcasting

Tribune is the second-largest U.S. newspaper group with leading metropolitan dailies in 9 major markets. Additionally, Tribune has more than 130 targeted niche publications. Tribune continues to aggressively invest in its interactive business and has over 50 websites with over 14 million monthly unique visitors, as well as significant equity investments in CareerBuilder, Classified Ventures, Shoplocal.com and Topix. Tribune owns and operates 23 major-market television stations, 14 of which are affiliates of The CW, America's new fifth network. Superstation WGN can be seen in more than 70 million U.S. households via cable and satellite services, and Tribune also owns 31% of TV Food Network.





Broad national reach through positioning in top markets

Tribune reaches more than 80% of U.S. households and is the only media organization with newspapers, television stations and websites in the nation's top three markets. Tribune has 7 daily newspapers in the Top 30 Designated Market Areas ("DMAs") and 19 television stations in the Top 30 DMAs. Newspaper and broadcast television remain essential tools for marketers, accounting for more than 35% of all U.S. advertising expenditures. Tribune delivers large local audiences and offers options for targeting specific consumer groups through differentiated packaging alternatives. The Company's deep relationships with local advertisers and consumers, and economies of scale in news/information gathering and distribution, result in a sustainable competitive advantage.

Valuable, separable assets

Tribune's collection of leading metropolitan newspapers, targeted niche publications, websites, and major-market television stations are highly valuable assets on a combined and standalone basis. The Company has demonstrated in the past its ability to sell assets in order to focus on key growth businesses. Mr. Zell's current view is to retain the core operating assets together. However, depending on the operating environment, to the extent Mr. Zell believes deleveraging and greater value can be realized through disposition, he will seek to achieve appropriate disposition transactions. The proposed sale of the Chicago Cubs and Tribune's interest in Comcast SportsNet Chicago is an example of this strategy.

Tribune's key assets are summarized below:

Leading Metropolitan Newspapers ($ millions)

				Metropolitan Newspapers	
	Market	DMA market rank	2006 revenue[1]	Weekly readership (000's)[2]	Penetration[2]
Los Angeles Times	Los Angeles, CA	2	$1,094	5,103	39%
Chicago Tribune	Chicago, IL	3	848	3,070	46
Newsday	Long Island, NY	1	533	1,597	74
Sun-Sentinel	South Florida	16	397	1,058	62
Orlando Sentinel	Orlando, FL	19	292	1,094	66
The Sun	Baltimore, MD	24	295	1,170	59
Hartford Courant	Hartford, CT	28	203	665	73
The Morning Call	Allentown, PA	4	106	387	73
Daily Press	Newport News, VA	42	79	316	75

[1] Reflects Tribune's Print and Interactive revenues in each market

[2] Source: Scarborough Publishing and Interactive Research, R1 2006 for Newspaper Designated Market (NDM) except Los Angeles and Chicago (Gallup Poll of Media Usage)

Broadcasting Assets ($ millions)

	DMA market rank	Market	Station	Affiliation	2006 gross ad. revenues	2006 market revenue share
	1	New York	WPIX	CW	$193	13.8%
	2	Los Angeles	KTLA	CW	172	11.4
	3	Chicago	WGN	CW	133	16.7
	6	Dallas	KDAF	CW	61	9.8
	8	Washington, DC	WDCW	CW	42	7.0
	10	Houston	KHCW	CW	41	8.7
	16	Miami	WSFL	CW	45	11.4
	18	Denver	KWGN	CW	31	10.4
	21	St. Louis	KPLR	CW	30	13.3
	23	Portland, OR	KRCW	CW	15	8.6
	27	San Diego	KSWB	CW	21	7.8
Duopolies	14	Seattle	KCPQ/KMYQ	FOX/MNTV	68	22.3
	25	Indianapolis	WXIN/WTTV	FOX/CW	47	23.1
	28	Hartford	WTIC/WTXX	FOX/CW	43	21.8
	54	New Orleans	WGNO/WNOL	ABC/CW	16	18.1
	20	Sacramento	KTXL	FOX	49	17.1
	39	Grand Rapids	WXMI	FOX	22	19.1
	41	Harrisburg	WPMT	FOX	15	16.9
	4	Philadelphia	WPHL	MNTV	47	7.6
				Total TV stations	$1,092	12.6%
	—	Cable Network	WGN Superstation	—	109	—
				Total TV group	$1,201	—

Note: Cable is ad sales only. Market revenue percentage share includes political
Reflects 52-week operating results

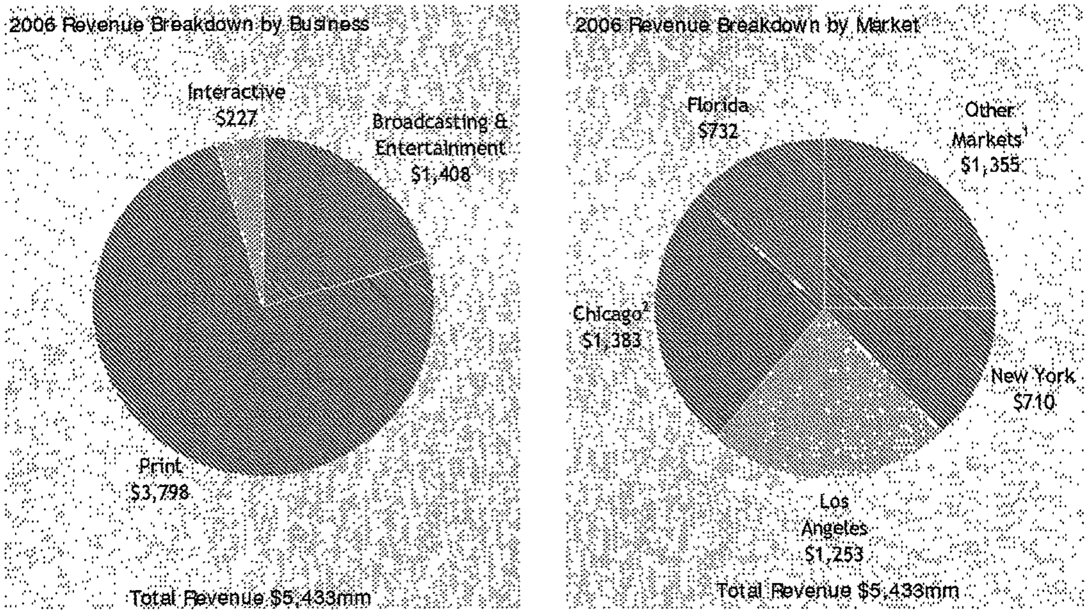
Diversified across businesses and markets

Tribune has a diversified revenue base as the Company operates in nine major markets for Publishing and 19 major markets with four different network affiliations for Broadcasting. While the Company generates a majority of its revenues and operating cash flows from Chicago, Los Angeles, New York, and Florida, approximately 25% of its revenues come from other markets.

The Company's print business accounted for approximately 70% of Tribune's revenue in 2006 and broadcasting and entertainment generated approximately 26% of total revenue. While interactive accounted for only 4% of total 2006 revenue, its revenue has grown by a compounded annual growth rate of 34% between 2003 and 2006.

The Company's diversified business profile can be seen in charts below:

Diversified Across Businesses and Markets ($ millions)



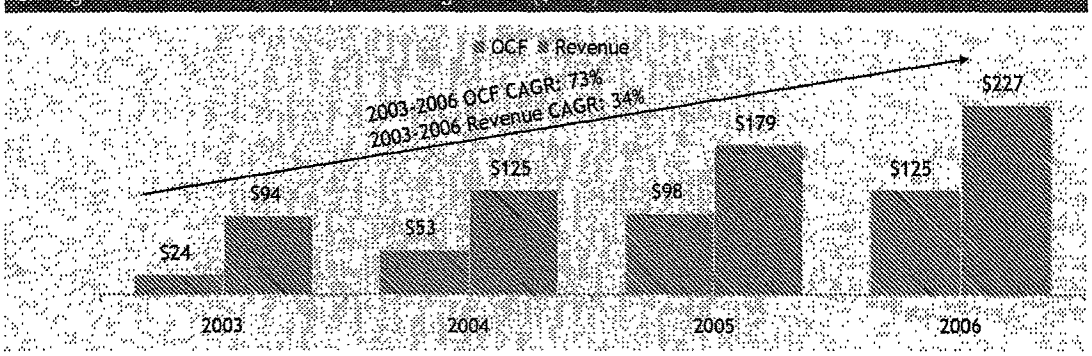
[1] Includes Tribune Entertainment

[2] Includes Superstation and CLTV

Rapid Growth in Interactive Businesses

Tribune's interactive business, Tribune Interactive, is built upon the strength of three classified advertising verticals - recruitment, auto and real estate. Tribune Interactive generated revenues of $227 million in 2006. Through partnerships with Gannett and Knight Ridder (acquired by McClatchy), the Company has used a national/local affiliate model to build significant advertising and content networks in CareerBuilder, Cars.com and Apartments.com. Each of these businesses is a leader in its respective category in terms of audience, listings and revenue. Tribune is planning to continue to build robust local sites into clear market leaders and build national interactive networks with key partners.

Strong revenue, OCF and unique visitor growth[1] ($mm)



	2003	2004	2005	2006
Unique Visitors ('000s)[2]	10,003	11,411	12,302	14,210

[1] Certain sales, marketing, content and other costs are recorded 100% in print and are not allocated to interactive.

[2] Source: Nielsen/NetRatings. Figures are YTD averages and are shown as of December of each year with the exception of 2006, which is as of September.

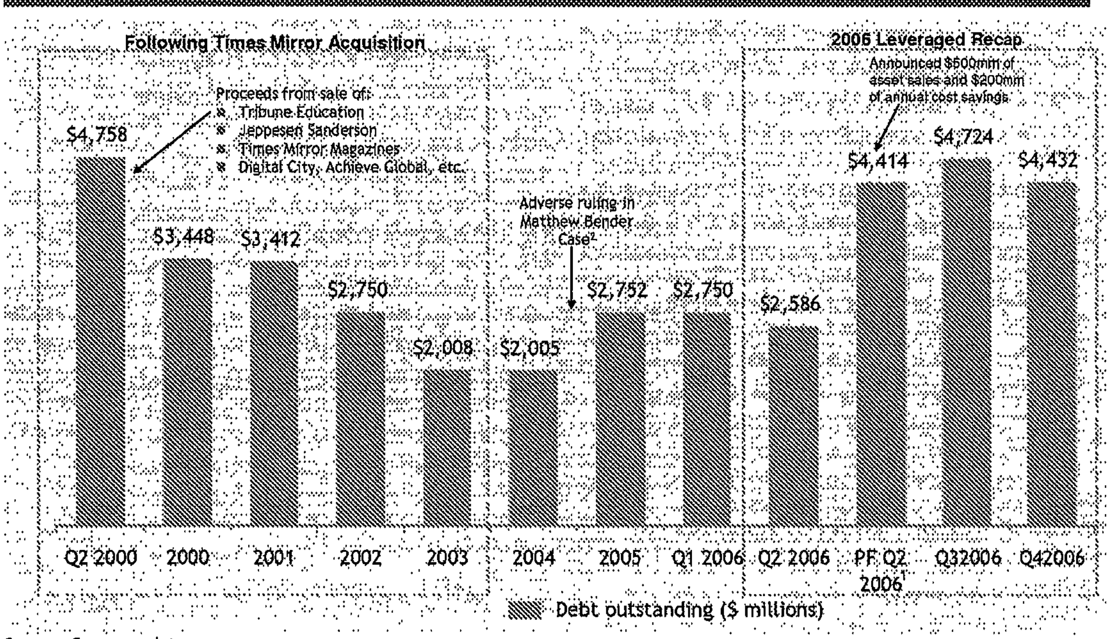
Strong free cash flow available to pay down debt

For the 52 weeks ended December 31, 2006 (on a pro forma basis for divestitures of *SCNI* and *Hoy New York*), Tribune generated Adjusted EBITDA of $1,411 million, and in future years expects to generate significant free cash flow available for debt service and to invest in its business.

Over the years, Tribune has demonstrated its ability to delever. The merger with The Times Mirror Company, completed in June 2000, effectively doubled the size of Tribune and secured its position among the top tier of major media companies. The $8.3 billion transaction was the largest acquisition in the history of the newspaper industry. Tribune used free cash flow and proceeds from the sale of Tribune Education, Jeppesen Sanderson, Times Mirror Magazines, and Achieve Global to reduce its debt from $4.8 billion in Q2 2000 to $2.0 billion in 2003.

The following chart demonstrates historical debt paydown through free cash flow generated from operations and proceeds from asset sales:

Historical debt paydown



Source: Company data

¹ Pro forma for leveraged share repurchase. In July 2006, the Company incurred additional borrowings of $1.25 billion and $1.4 billion under the term facility and the bridge facility and repaid $622 million of commercial paper and $200 million of its revolving credit facility

² As a result of the United States Tax Court ruling against the Company, Tribune recorded an additional income tax expense of $150 million in the third quarter of 2005 n

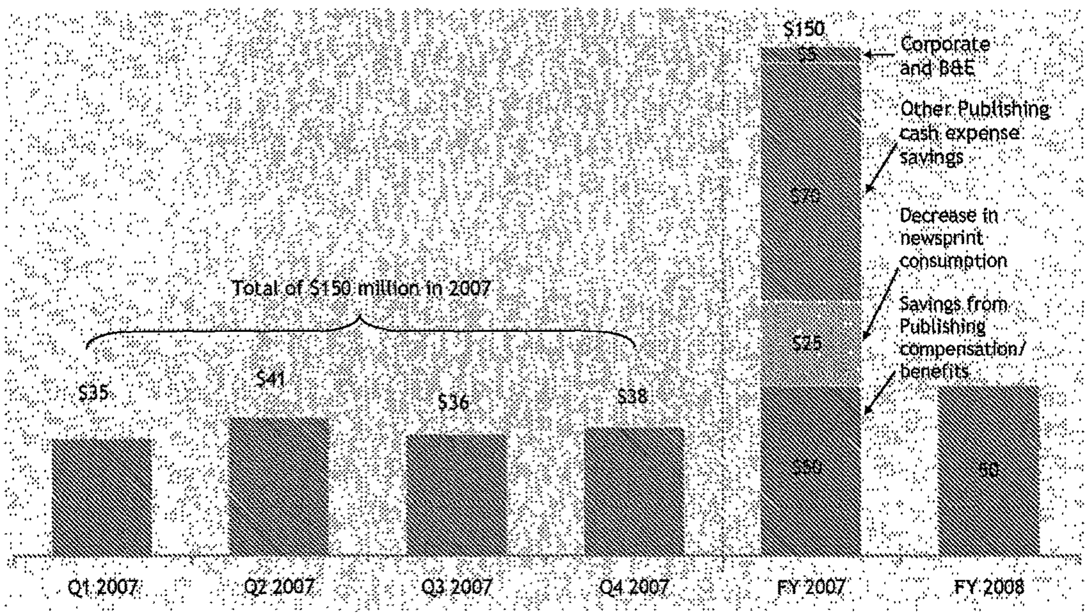
Demonstrated ability to aggressively manage costs

Tribune has consistently demonstrated an ability to reduce costs to maintain high profitability in its mature, core business, while redeploying a portion of these savings to higher growth initiatives such as interactive, preprints and targeted print publications. For the years 2005 and 2006, the Company met its goal of $190 million in total cost reductions. Tribune achieved this target through $100 million in savings in compensation/benefits, $35 million from a 7% decrease in newsprint consumption, and $55 million from other cash savings.

Tribune is planning an additional $200 million of cost reductions to be realized through 2008, separate and apart from the cost savings associated with the planned elimination of Company

401(k) cash contributions and public company costs, following the completion of the Transaction. The Company plans to reduce costs by at least $150 million in 2007 by saving an additional $50 million in Publishing compensation/benefits, $25 million from a 6% decrease in newsprint consumption, $70 million from other Publishing cash expense savings such as rent, outside services and circulation expenses and $5 million in Corporate and Broadcasting and Entertainment. Tribune plans to cut an additional $50 million in costs in 2008. Furthermore, newsprint pricing is expected to continue to fall in the second half of 2007. Lower industry demand for newsprint will continue to put pressure on pricing going forward, benefiting the Company's cost management initiatives.

Estimated expense reductions

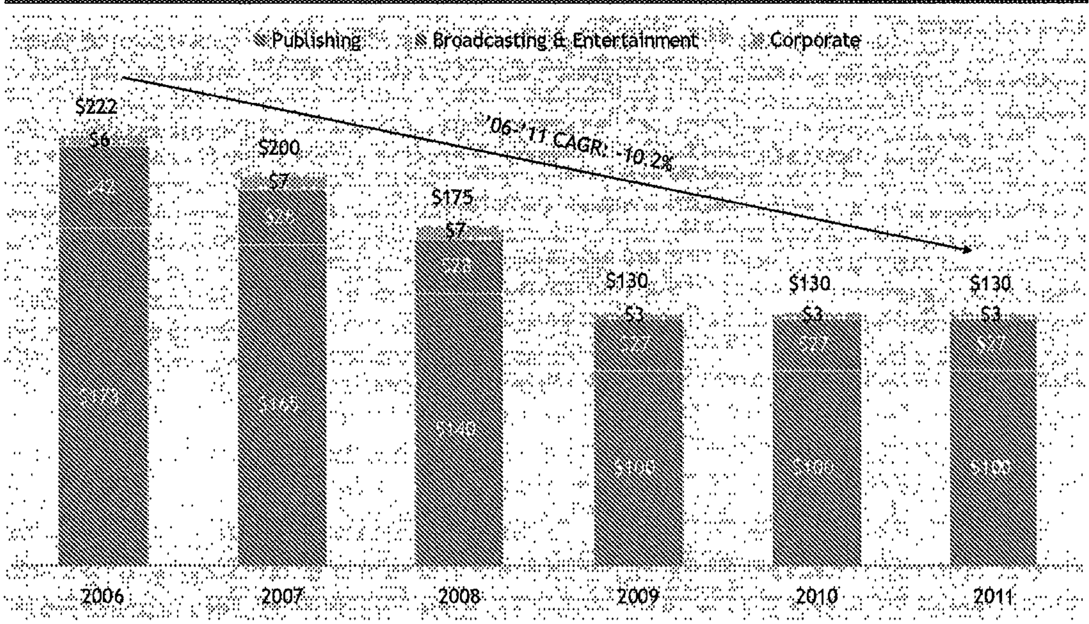


Source: Company management

Decreasing capital expenditure needs

Tribune will complete a number of large capital intensive upgrade projects in the next few years, which will enable the Company to significantly decrease annual spending on capital expenditures. Publishing capital expenditures are expected to decrease from $173 million in 2006 to $100 million by 2011. Broadcasting capital expenditures are expected to decrease from $42 million in 2006 to $27 million in 2011.

Decreasing capital expenditures



Source: Tender Offer Statement filed on April 25, 2007

The completion of the following projects will account for a large portion of the decline in capital expenditure spending by 2011:

- Color press improvements completed in 2006
- Wrigley Field expansion completed in 2006
- Spending to complete web width reduction at all business units will be completed by 2008
- Spending for common advertising, circulation and editorial systems will be completed by 2009; most completed by end of 2008
- Packaging improvements for more refined zoning will be completed by 2009; most completed by end of 2008

Valuable equity investments

The Company's principal equity investments are CareerBuilder, Classified Ventures, TV Food Network, ShopLocal, and Topix.

Interactive equity investments—Key online investments			
Investment	**Description**	**Tribune ownership**	**Partners**
food	Lifestyle cable network and website with a focus on food and entertaining	31.0%	Scripps (69%)
careerbuilder	Online recruitment company that helps job seekers connect with employers	42.5	Gannett (42.5%) McClatchy (15.0%)
Classified Ventures	A network of automotive and real estate classified advertising websites including apartments.com, cars.com and homegain.com	27.8	McClatchy (25.5%) Gannett (23.6%) Wash. Post (16.5%) Belo (6.6%)
shopLocal.com	A multi-channel shopping service offering a complete set of solutions connecting retailers and consumers online and in-store	42.5	Gannett (42.5%) McClatchy (15.0%)
topix	Leading news community on the web, connecting people to the information and discussions that matter to them in every U.S. town and city	33.7	Gannett (33.7%) McClatchy (11.9%) Topix Mgmt (20.7%)

In 2006, Tribune's equity income totaled $81 million, an increase of $40 million from 2005 and $63 million from 2004. The increases primarily reflect improvements at TV Food Network, CareerBuilder and Classified Ventures and the absence of losses from The WB Network.

Significant cost and tax savings from the ESOP/S Corp structure

S Corps do not pay corporate level federal income taxes. Instead, S Corps pass taxable income and losses through to shareholders. Under the proposed structure, Tribune will not make distributions to shareholders for payment of shareholder-level federal taxes, resulting in a significant increase in cash flow. The present value of the tax cash flow savings is estimated to be approximately $1 billion over the next 10 years.

In addition, as an S Corp, deferred taxes currently recorded by Tribune ($1.9 billion) will cease to be recorded as liabilities of the corporation. This includes the $636 million of deferred taxes on the PHONES (as of 12/31/06).

Tribune will also eliminate Company cash contributions to its non-union 401(k) plans, which will result in approximately $60 million of cash savings per year. Cost reductions and other miscellaneous savings are expected to amount to an additional $20 million per year.

Value of savings[1] ($ million)			
Item	Per year	5-year NPV	10-year NPV
Value of Tax Savings from ESOP/S Corp Structure		$418	$1,056
Value of the Elimination of Company 401(k) Cash Contributions	$60	243	412
Value of Public and Other Company Cost Reductions	20	81	137
Total	$80	$742	$1,605

[1] Discounted at a weighted average cost of capital of 7.5%

Strong track record of Zell-EGI investments

EGI is a private investment firm that is Sam Zell's principal investment management vehicle. Mr. Zell is intimately involved in the day-to-day operations and decision making of EGI. Over the years, EGI has developed a reputation as a highly successful, aggressive investor in numerous business sectors, including media. The Zell Entity is an investment vehicle that was formed for the purpose of investing in Tribune and draws on the skills, experience and relationships that comprise EGI.

Unlike many pools of investment capital, EGI has no specific limitations on the type of investment it makes and the duration of its investment period. This investment structure is rare and allows EGI to pursue a long-term and contrarian approach to investing. Once EGI has made an investment, it seeks to influence the strategic direction of the business by forming a partnership with companies at the board and senior management level.

EGI's actively managed portfolio of investments is valued at approximately $4 billion and covers a spectrum of public companies, private companies and privately held real estate and special-purpose vehicles. The following is a selected list of EGI's significant current investments:

Current EGI investments

ACL COVANTA Equity Residential Hanover

In addition to building a broadly diversified portfolio of investments, EGI has developed a strong expertise and reputation for credibility in the capital markets. Whether it is incurring debt, raising public equity or placing private capital, EGI has a track record of delivering stellar returns to its investment partners.

Experienced management team

The current management team has an average of 20 years of experience at Tribune. Through challenging industry conditions, the Tribune management team has been able to successfully manage costs and maintain industry leading operating margins. Through its equity investments and Interactive businesses, the team has been able to grow Tribune's online

business and diversify its sources of revenue. Under the guidance of the current management team, Tribune has developed a strong reputation for being able to delever and return capital to all constituents.

Tribune management team

Management	Position	Years of experience at Tribune
Dennis J. FitzSimons	President and CEO	24
Donald C. Grenesko	SVP, Finance and Administration	26
Scott Smith	President, Publishing	29
John E. Reardon	President, Broadcasting	21
Timothy J. Landon	President, Interactive	20
Crane H. Kenney	SVP, General Counsel and Secretary	12
Thomas D. Leach	SVP, Development	20
Chandler Bigelow	VP, Treasurer	8

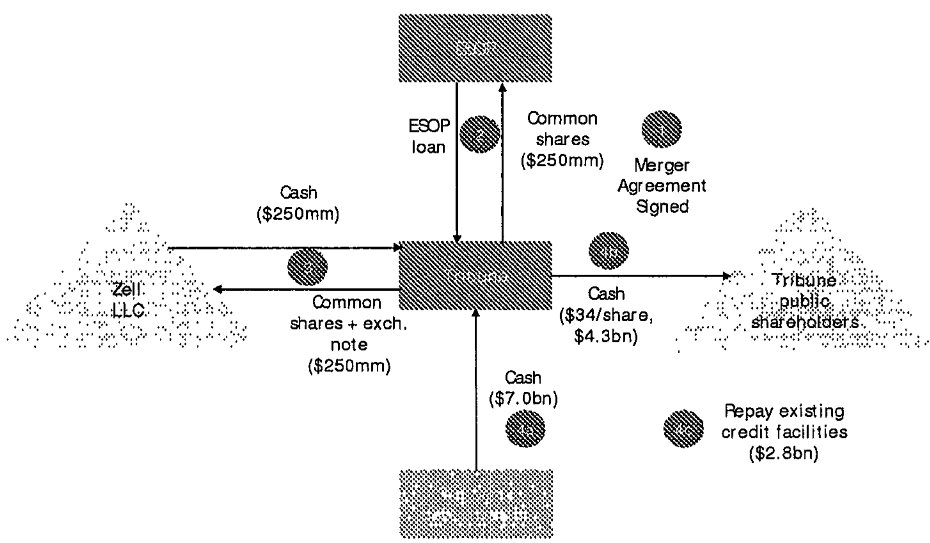
Additionally, the Merger Agreement contemplates the establishment of a new Tribune Company Management Equity Incentive Plan (the "Plan") to be effective following the consummation of the merger. The Plan will serve as an important retention tool and will motivate management to continuously seek ways to create value at Tribune. The Plan will provide for the grant of share equivalent awards over a period of years equal to 8% of the Company's common stock.

3. Transaction overview

The first stage ("Step 1") of the Transaction is a cash tender offer for approximately 126 million shares at $34 per share. The tender offer will be funded by incremental borrowings and a $250 million investment from Zell Entity, which occurred on April 23, 2007. The tender will settle concurrently with the funding of the Step 1 Financings, which is currently expected to take place in late May. The second stage ("Step 2") is a merger, which is currently expected to close in the fourth quarter of 2007, in which the remaining publicly-held shares will receive $34 per share. If the merger does not close on or prior to December 31, 2007, each share will also receive an additional 8% annualized "ticking fee" that will be calculated from January 1, 2008 through the close of the merger. Zell will make an additional investment of $65 million in connection with the merger, bringing Zell's total investment in Tribune to $315 million. The board of directors of Tribune, on the recommendation of the Special Committee, has approved the agreements and will recommend Tribune shareholder approval of the merger. The Chandler Trusts, Tribune's largest shareholder, have agreed to vote in favor of the merger.

Step 1 of the two-step transaction

Step 1 Transaction Overview



1. Signing of Merger Agreement

On April 1, 2007, the Company entered into the Merger Agreement with the Trustee of the Employee Stock Ownership Plan ("ESOP") (GreatBanc Trust Company), a merger subsidiary wholly owned by the ESOP ("Merger Sub"), and, for certain limited purposes, Zell Entity. Pursuant to the terms of the Merger Agreement, the Merger Sub will be merged with and into the Company and Tribune will continue as the surviving corporation wholly owned by the ESOP (the "Merger").

2. ESOP stock purchase

On April 1, 2007, a newly formed, Tribune-sponsored ESOP purchased approximately 8.9 million shares of newly issued Tribune common stock at a price of $28 per share. The ESOP

acquired these shares by issuing a $250 million promissory note to Tribune to be repaid over 30 years through the use of annual contributions from the Company and/or distributions made on the shares of Tribune common stock held by the ESOP.

3. Zell stock purchase

On April 23, 2007, Zell Entity invested $250 million in the Company in consideration for (i) approximately 1.5 million shares of the Company's common stock valued at $34 per share and (ii) an unsecured subordinated exchangeable promissory note of the Company in the principal amount of $200 million. The note is required to be repaid immediately prior to the Merger (Step 2 of the Transaction).

4. Tribune stock repurchase, Step 1 Financings and refinance of existing debt

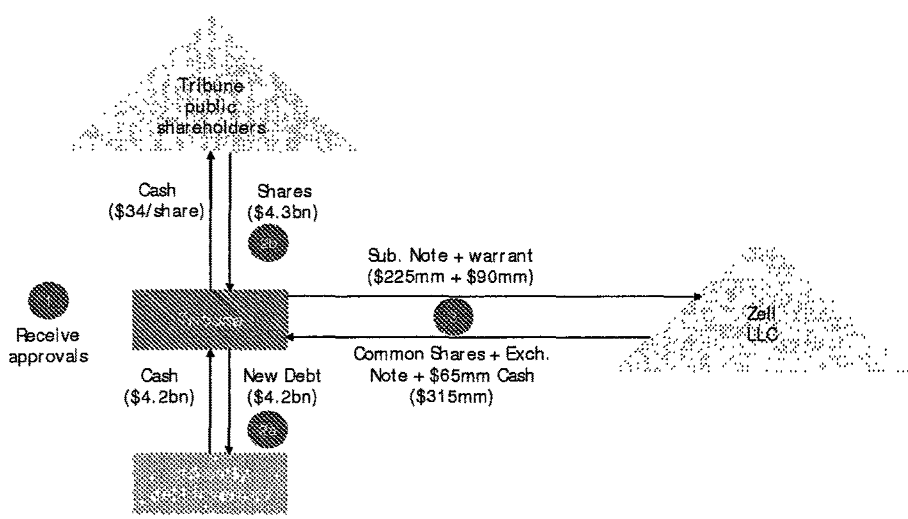
On April 25, 2007, Tribune launched a tender offer to repurchase up to approximately 126 million shares of Tribune common stock at a price of $34 per share (the "Share Repurchase"), equivalent to approximately $4.3 billion in total value. The Share Repurchase will be subject to completion of the Step 1 Financings and other customary conditions. The tender offer will be open in the market until May 24, and is anticipated to settle 3 days after expiration, but concurrently with the funding of the Step 1 Financings. In addition to financing the Share Repurchase, a portion of the proceeds raised in the Step 1 Financings will be used to refinance $2.8 billion of existing Tribune credit facilities and to pay certain fees and expenses.

Step 1 pro forma ownership and governance

Pro forma for the completion of Step 1, Tribune's public shareholders will own approximately 92%, Zell Entity will own approximately 1%, and the ESOP will own approximately 7% of the Company. On or before May 9, 2007, Mr. Zell will join Tribune's Board of Directors. Upon completion of Step 1, the three Chandler Trust directors will resign from the Board, leaving a total of 9 directors, including Mr. Zell.

Step 2 of the two-step transaction

Step 2 Transaction Overview



1. Shareholder and other necessary approvals

The Merger is subject to a number of conditions including shareholder, HSR, Federal Communications Commission ("FCC"), and Major League Baseball ("MLB") approvals, compliance with certain covenants, no material adverse change in Tribune's business, and the delivery of a solvency opinion. On April 20, 2007, early termination of the HSR waiting period approval was granted. Shareholder approval is currently expected to take place in third quarter 2007, while the FCC approval is currently expected in late 2007.

2. Merger, raise debt and go-private

In connection with the merger, the Merger Sub will merge into Tribune, and Tribune will continue as the surviving corporation. All outstanding shares of common stock, other than shares held by the ESOP, but including those held by Zell Entity, will be converted to cash at $34 per share, equivalent to approximately $4.3 billion in total value, making Tribune a privately held company wholly owned by the ESOP. Concurrently, additional debt will be raised (Step 2 Financings) to pay for the conversion of Tribune shares to cash. If the Merger does not close by January 1, 2008, shareholders will receive an additional 8% annualized "ticking fee," calculated from January 1, 2008 through the date of closing of the Merger.

3. Additional Zell investment and exchange

In the Merger, Zell Entity will receive cash for the 1.5 million shares of Company common stock it owns and, immediately prior to the Merger, the Company will repay the exchangeable promissory note held by Zell Entity. In turn, immediately after the Merger, Zell Entity will purchase from the Company a $225 million subordinated promissory note and a 15-year warrant for $90 million, resulting in a net additional investment of $65 million. The warrant will entitle Zell Entity to purchase 43.5 million shares of Company Common Stock representing approximately 43% of the common stock of the Company, or 40% on a fully diluted basis taking into account an 8% management equity incentive pool. The warrant will have an initial aggregate exercise price of $500 million, which will increase by $10 million per year for the first 10 years, for a maximum aggregate exercise price of $600 million.

4. S Corp election

Following the merger, Tribune will elect to be treated as an "S corporation" for federal income tax purposes. As an S Corp, Tribune will no longer pay corporate level federal income taxes. It will, however, continue to be subject to state and local taxes in some jurisdictions and, for a period of time, will generally be subject to capital gains tax to the extent such gain existed at the time of the S Corp election.

5. Asset sales

Following the 2007 baseball season, Tribune intends to sell the Chicago Cubs baseball team as well as the Company's 25% interest in Comcast SportsNet Chicago. Tribune has long-term contracts in place for Cubs programming on WGN-TV, Superstation WGN, WGN-AM Radio and Comcast SportsNet Chicago. The sale of the Cubs is subject to the approval of MLB, and is expected to be completed in the fourth quarter of 2007. Net cash proceeds are expected to be approximately $600 million and will be used to pay down debt.

Step 2 Pro forma ownership, governance and other key terms

Pro forma for the Transaction, the ESOP will own 100% of Tribune's common stock and Zell Entity will own a warrant entitling it to acquire up to approximately 43% of the common stock of the Company, or 40% on a fully diluted basis taking into account an 8% management equity incentive pool. After Step 2 of the transaction, the Board of Directors will consist of 8 individuals (one additional Board seat will initially be undesignated). Mr. Zell will be the

Chairman. Zell Entity will have the right to place a second representative on the new Board. The other members will be the Company's CEO and 5 independent members. The Board members will initially serve for a term of three years. After that time, terms will be staggered with three members' terms expiring each successive year.

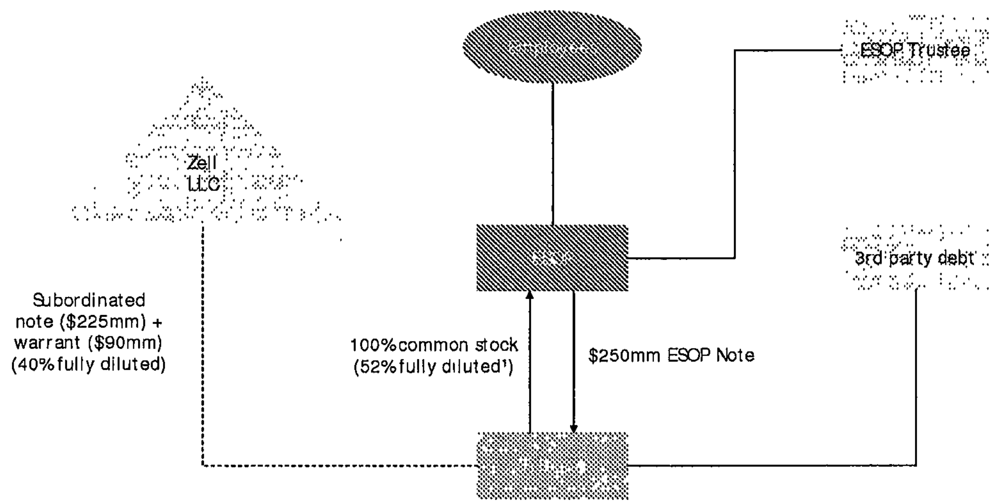
Majority Board approval is required for certain major corporate decisions, including but not limited to the following items. In order to constitute majority Board approval, decisions must be approved by a majority of the independent directors and at least one designee of Zell Entity.

- Change to the Certificate of Incorporation or bylaws
- Issuance of additional shares (other than to the ESOP at Fair Market Value to maintain its 51% equity ownership)
- Dividends and certain stock repurchases
- Incurrence of debt not included in the annual budget over $250 million
- Acquisitions over $250 million
- Sale or license of assets over $250 million
- Entering into any strategic relationship involving payment of money or assets over $250 million

Other key transaction terms include:

- Zell Entity and the ESOP will have preemptive rights on any new issuances of Tribune shares following the merger
- Zell Entity and the ESOP will agree to restrictions on transfer, co-sale rights and rights of first refusal on their shares
- Zell Entity will have consent rights on any transaction between Tribune and the ESOP

Tribune/ESOP structure post Step 2



Employee Stock Ownership Plan ("ESOP")

An ESOP is a tax-qualified employee benefit plan through which employees own stock in the sponsoring company. Several features make ESOPs unique compared to other tax-qualified employee benefit plans. First, an ESOP is required by law to invest primarily in the securities of the sponsoring employer. Second, an ESOP is able to borrow money from (or guaranteed by) the sponsoring employer.

The Tribune ESOP borrowed $250 million from the Company to buy common shares. The Company will make annual cash contributions to the ESOP, which the ESOP will then remit back to the Company for repayment of the loan.

Shares held by the ESOP will be allocated to individual employees' accounts based upon their eligible compensation (salary and wages) as payments are made on the ESOP loan. As employees continue to work at the Company, more shares will be allocated to their accounts each year based on their eligible compensation. After employees leave the Company, Tribune will purchase their shares at fair market value and distribute cash to them over a specified period of time. The value of the shares will be determined annually by an independent appraisal firm.

The Tribune ESOP will be funded solely through Company contributions. The first contribution allocation will be for the year 2008, which will be made in early 2009. The Company anticipates an initial annual target allocation of approximately 5% of employees' eligible compensation.

ESOP Trustee and governance

GreatBanc Trust Company has been selected to serve as the ESOP trustee (the "ESOP Trustee"), and the ESOP will be administered by a board-appointed employee benefits committee.

S Corporation

An S corporation, or S Corp, is a corporation that makes a valid election to be taxed under Subchapter S of the Internal Revenue Code. Unlike a regular C corporation, an S Corp generally pays no corporate level federal income taxes. Instead, the S Corp shareholders pay income taxes on their proportionate share of taxable income. After the completion of Step 2, the sole shareholder of Tribune will be the ESOP, which is a tax exempt entity for federal income tax purposes. Coupled with the S Corp election, this results in significant tax savings for Tribune each year. The present value of tax savings over a 10 year period is estimated to be approximately $1 billion.

Qualification, timing and maintenance of S Corp election

In order to be treated as an S Corp, the following major requirements must be met:

- Must be a domestic corporation
- Must not have more than 100 shareholders
- Must have only one class of stock
- Must not, in general, have a shareholder who is not an individual (ESOPs qualify under an exception to this rule)
- Profits and losses must be allocated to shareholders proportionately to each one's interest in the business

In order to become an S Corp for 2008, Tribune would need to be S Corp eligible on the first day of the year and would need to make its S Corp election by March 15, 2008.

Zell Special Contribution

In order for the Company to complete the Merger, Zell has agreed, in the event and only in the event the S Corp election is not made by March 15, 2008, to invest up to $100 million in additional junior capital of Tribune (the "Zell Special Contribution") less certain potential adjustments, on the later of March 25, 2008 and the Step 2 closing date. All cash proceeds received from the Zell Special Contribution will be applied to reduce the Term Loan B.

To the extent any junior capital is outstanding as a result of a Special Contribution, proceeds from certain litigation and other proceedings and up to 50% of the net cash proceeds received from the sale of the Chicago Cubs and Comcast SportsNet Chicago and certain other assets *in excess* of $600 million will be applied to reduce junior capital.

Tribune governance post transaction

After Step 2 of the transaction, the Board of Directors will consist of 8 individuals (one additional Board seat will be undesignated initially). Mr. Zell will be the Chairman. Zell Entity will have the right to place a second representative on the new Board. The other members will be the Company's CEO and 5 independent members. The Board members will initially serve for a term of three years. After that time, terms will be staggered with three members' terms expiring each successive year.

4. Summary of terms and conditions – Senior Unsecured Bridge Facility

Borrower:	Tribune Company ("Tribune")
Ranking:	Senior Unsecured Bridge Facility
Amount:	$2,100 million
Fees:	Commitment Fee: 75 bps Takedown Fee: If funded, additional fees payable on each of the following dates: • Closing: 31.25 bps • 91st day after closing: 31.25 bps • 181st day after closing: 31.25 bps • 271st day after closing: 31.25 bps Conversion Fee: 200 bps
Guarantees:	Senior subordinated guarantees from all of Tribune's U.S. subsidiaries that guarantee the Senior Secured Credit Facilities
Security:	Unsecured
Maturity:	1.0 year from Second Step Closing Date (the "Initial Maturity Date") - upon the Initial Maturity Date, amounts outstanding will be automatically extended for 7 more years and may be exchanged for 7-year senior unsecured exchange notes
Initial Rate:	L + 450 bps
Interest Rate Step-Ups:	50 bps three months after the Second Step Closing Date with an additional 50 bps at the end of each three month period thereafter
Interest Rate Caps:	If Corporate ratings B2/B or greater (with no negative outlook): 12.00%; Otherwise 12.50%
Securities Demand:	90 days blackout
Negative Covenants:	Substantially similar to those provided in the Senior Secured Credit Facilities
Other Covenants / Conditions:	Other covenants/conditions include: • Elimination of certain 401(k) contributions • Election and maintenance S Corp treatment • Total guaranteed debt / LTM EBITDA of less than 9.0x

5. Form of Commitment Advice

[LENDER LETTERHEAD]
Form of Commitment Advice
(Fax to Todd Scolnick at (646) 651-4493)

[Date]

Merrill Lynch & Co.
4 World Financial Center
7th Floor
New York, New York 10080

Ladies and Gentlemen:

We refer to the Summary of Terms and Conditions for Tribune Company (the "Company") included in the Confidential Information Memorandum dated April 2007. Subject only to satisfactory documentation substantially on the terms and conditions set forth in the Summary of Terms and Conditions, we are pleased to commit $______ million to the $2.1 billion Senior Unsecured Bridge Facility. We understand that allocations will be made at the discretion of the Company and the Joint Bookrunners.

Our commitment is made solely on behalf of our institution and does not in any way include a commitment or other arrangement from any other non-affiliated institution. We agree that no secondary selling or offers to purchase will occur until the Joint Bookrunners declare the primary syndication to be complete.

Our decision to issue our commitment is based on our independent investigation of the financial condition, creditworthiness, affairs and the status of Company without reliance upon any material or information furnished to us by the Joint Bookrunners or any of their affiliates, which material or information is hereby acknowledged by us to have been for informational purposes only without any representation or warranty by the Joint Bookrunners or their affiliates.

Very truly yours,

Authorized Officer:

Title:

Lender:

Telephone Number:

ADMINISTRATIVE DETAILS FORM

Please complete the following and return to Jennifer Cunningham at (312) 499-3336 (fax) or e-mail jennifer_cunningham1@ml.com

Full legal name of bank: ______________________
Bank name for publicity purposes: ______________________
Tax ID Number: ______________________
Legal lending office address: ______________________
____

CONTACTS

	Primary Credit	Secondary Credit
Name:		
Address:		
Phone:		
Fax:		
E-mail:		

	Loan Administration/Operations	LOC Administration/Operations
Name:		
Address:		
Phone:		
Fax:		
E-mail:		

	Legal Counsel	Financials
Name:		
Address:		
Phone:		
Fax:		
E-mail:		

PARTICIPATING BANK PAYMENT INSTRUCTIONS

Please specify where funds (interest, letter of credit fees, commitment fees, repayments) should be wired.

Bank Name:
Address:
ABA #:
Acct Name:
Acct #:
Attn:

MERRILL LYNCH PAYMENT INSTRUCTIONS

Bank Name:	LaSalle Bank
Address:	135 South LaSalle Street Chicago, IL. 60603
ABA #:	071000505
Acct Name:	MLCC-Leveraged Finance
Acct #:	5800965153
Attn:	

6. Industry overview

Publishing

The 1,452 daily newspapers in the U.S. were expected to generate $67.7 billion in revenues in 2006 and reach approximately 57% of adults every week. In today's fragmented media environment, where people look to a huge variety of sources for information, the ability to offer advertisers access to such a significant share of the market makes newspapers particularly appealing. No other medium can deliver such a broad reach, particularly at the local level.

The economics of the newspaper business - largely fixed investments producing valuable information products - translate into attractive margins and steady cash flows. Newspapers' reliance on advertising dollars subjects them to cyclicality and, more recently, competition from the internet. However, publishers have adapted to the new landscape with successful online initiatives and, in many cases, renewed focus on fast-growing local and regional markets where newspapers enjoy their strongest strategic footing.

Newspapers reach more 18-34 year olds on an average week day (37.4% of the top 50 markets) than an average half-hour of prime time TV (32.3%), early TV news (22%) and an average quarter hour of radio morning drive time (21%).

Newspapers' competition comes primarily from other major national media: broadcast TV, cable, radio, and increasingly, the internet. The strong benefits of scale afforded by owning a group of larger market (higher reach) newspapers (such as larger audiences, the ability to cross sell across a group of newspapers; and the advantages of cross ownership of other major media) are important to newspapers' ability to compete for market share. For example, Tribune owns newspapers in New York, Chicago, and Los Angeles, and also owns a large number of broadcast TV stations in large markets (in many cases the same market), so it can sell package deals, providing a larger audience for advertisers, more efficiently.

Declines in circulation and national ad expenditures are expected to be offset by strong online advertising and content results. Online advertising and content is expected to rise at a compound annual growth rate of 19.2% from 2005 to 2010, representing a 9.2% share of daily newspaper spending by 2010. This compares to 4.1% in 2005. As a result, overall daily newspaper revenues will grow at a 2005-2010 CAGR of 1.3% to $64.7 billion.

Total spending on newspapers ($ millions)

							Forecast					Compound annual growth	
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000–2005	2005–2010
Daily newspapers[1]	$59,888	$55,895	$56,088	$57,340	$59,291	$60,636	$61,330	$62,348	$63,294	$64,120	$64,660		
%growth		*(6.7)%*	*0.3%*	*2.2%*	*3.4%*	*2.3%*	*1.1%*	*1.7%*	*1.5%*	*1.3%*	*0.8%*	*0.0%*	*1.3%*
Weekly newspapers	$5,055	$5,142	$5,352	$5,569	$5,840	$6,104	$6,388	$6,659	$6,989	$7,303	$7,596		
%growth		*1.7%*	*4.1%*	*4.1%*	*4.9%*	*4.5%*	*4.7%*	*4.2%*	*5.0%*	*4.5%*	*4.0%*	*3.8%*	*4.5%*
Total	$64,943	$61,037	$61,440	$62,909	$65,131	$66,740	$67,718	$69,007	$70,238	$71,423	$72,256		
%growth		*(6.0)%*	*0.7%*	*2.4%*	*3.5%*	*2.5%*	*1.5%*	*1.9%*	*1.8%*	*1.6%*	*1.2%*	*0.5%*	*1.6%*

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Editor and Publisher, JupiterKagan, Newspaper Association of America

[1] Includes online and mobile advertising and content

Newspaper readership tends to correlate with education and income level, making the reader base an ideal demographic for many advertisers. Publishers have leveraged the ability to segment their demographics into new sources of advertising revenue through preprints, direct

mail and targeted publications. All three of these provide advertisers excellent ways to reach highly targeted audiences.

The newspaper industry's reliance on consumer advertising - approximately 83% of revenues - continues to present both challenges and opportunities. Newspapers have been exposed to macro trends in the advertiser base, including consolidation in the retail sector and the shift of advertising spending to online media. These and other factors have eroded newspapers' share of total U.S. advertising spend from 22% in 2001 to 20% in 2006.

Daily print newspaper advertising spending ($ millions)

									Forecast			Compound annual growth	
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000–2005	2005–2010
Retail	$21,409	$20,678	$20,992	$21,339	$22,008	$22,183	21,961	22,071	22,159	22,159	22,048		
%growth		*(3.4)%*	*1.5%*	*1.7%*	*3.1%*	*0.0%*	*(1.0)*	*0.5%*	*0.4%*	*0.0%*	*(0.5)%*	*0.7%*	*(0.1)%*
Classified	$19,609	$16,621	$15,898	$15,801	$16,608	$17,312	$17,918	$18,509	$19,064	$19,598	$20,108		
%growth		*(15.2)%*	*(4.3)%*	*(0.6)%*	*5.1%*	*4.2%*	*3.5%*	*3.3%*	*3 0%*	*2.8%*	*2.6%*	*(2.5)%*	*3.0%*
National	$7,653	$7,004	$7,210	$7,797	$8,083	$7,910	7,657	7,404	7,145	6,888	6,633		
%growth		*(8.5)%*	*2.9%*	*8.1%*	*3.7%*	*(2.1)%*	*(3.2)%*	*(3.3)%*	*(3.5)%*	*(3.6)%*	*(3.7)%*	*0.7%*	*(3.5)%*
Total	$48,671	$44,303	$44,100	$44,937	$46,699	$47,405	$47,536	$47,984	$48,368	$48,845	$48,789		
%growth		*(9.0)%*	*(0.5)%*	*1.9%*	*3.9%*	*1.5%*	*0.3%*	*0.9%*	*0.8%*	*0.6%*	*0.3%*	*(0.5)%*	*0.6%*

Sources: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Borrell, Interactive Advertising Bureau, Newspaper Association of America

For 2007, the Newspaper Association of America (NAA) forecasts 1.2% growth in newspaper advertising which is comprised of flat print growth and a 22% gain in online. Although the aforementioned circulation losses translate into declines for circulation revenue, circulation revenues are generally less than 20% of total income for newspapers. The variability in the retail and classified segments illustrates the general seasonality in the business. The second and fourth quarters tend to be somewhat stronger than the first and third quarters. National advertising tends to fluctuate based on sector trends including consolidation, economic conditions, and new automobile model introductions.

Retail advertising, including department store, small business, grocery and other, has traditionally comprised the largest segment of newspaper advertising revenue. However, consolidation in the retail sector, the "Wal-Mart effect" and the rise in online commerce have eroded the total retail ad spend in newspapers; as recently as 1995, this category still accounted for more than 50% of revenue. The NAA expects the category to grow 1% in '07. In 2006, retail was hampered by consolidation—in 3Q06, for example, Federated newspaper advertising declined 14%. Department stores broadly have been weak, with the category off -6.2% in the quarter. 2006 also saw a decline in financial sector spending, especially in the previously strong mortgage company sub sector, due to the decline in the housing market. These trends are expected to cycle through in the first quarter of 2007.

Retail newspaper advertising expenditures by category[1] ($ millions)

Year	2000	2001	2002	2003	2004	2005	Compound annual growth 2000–2005
General merchandise	$7,582	$7,586	$7,541	$6,976	$6,864	$6,923	
%growth		*0.1%*	*(0.6)%*	*(7.5)%*	*(1.6)%*	*0.9%*	*(1.8)%*
Financial	$2,926	$2,719	$2,718	$3,268	$3,439	$3,818	
%growth		*(7.1)%*	*0.0%*	*20.2%*	*5.2%*	*11.0%*	*5.5%*
Home supplies/furniture	$2,459	$2,653	$2,790	$3,064	$3,428	$3,320	
%growth		*7.9%*	*5.2%*	*9.8%*	*11.9%*	*(3.2)%*	*6.2%*
Computer/electronics	$3,927	$3,103	$2,885	$2,434	$2,505	$2,262	
%growth		*(21.0)%*	*(7.0)%*	*(15.6)%*	*2.9%*	*(9.7)%*	*(10.4)%*
Food	$1,777	$1,674	$1,850	$1,998	$1,940	$1,982	
%growth		*(5.8)%*	*10.5%*	*8.0%*	*(2.9)%*	*2.2%*	*2.2%*
Hobbies/toys/sports	$827	$1,025	$1,096	$1,197	$1,213	$1,120	
%growth		*23.9%*	*6.9%*	*9.2%*	*1.3%*	*(7.7)%*	*6.3%*
Building materials	$679	$675	$777	$978	$951	$1,115	
%growth		*(0.6)%*	*15.1%*	*25.9%*	*(2.8)%*	*17.2%*	*10.4%*
Apparel and accessories	$728	$747	$776	$841	$928	$948	
%growth		*2.6%*	*3.9%*	*8.4%*	*10.3%*	*2.2%*	*5.4%*
Automotive aftermarket	$325	$301	$369	$396	$537	$520	
%growth		*(7.4)%*	*22.6%*	*7.3%*	*35.6%*	*(3.2)%*	*9.9%*
Records/books/cards	$179	$195	$190	$187	$203	$175	
%growth		*8.9%*	*(2.6)%*	*(1.6)%*	*8.6%*	*(13.8)%*	*(0.5)%*
Total	$21,409	$20,678	$20,992	$21,339	$22,008	$22,183	
%growth		*(3.4)%*	*1.5%*	*1.7%*	*3.1%*	*0.8%*	*0.7%*

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ media, Newspaper Association of America

[1] Does not include spending from the "Other" category which normally represents approximately 0.01% of retail advertising

National advertising, including advertisements run by national firms in newspapers across the country, has been the strongest source of growth in newspaper advertising over the last decade. The top five national segments are telecom (in particular, wireless), travel, entertainment, coupons and auto, in total accounting for approximately 75% of national ad spend. These categories have driven compound annual growth in national advertising over 8% since 1995. Print national advertising slowed in 2005, largely because the automotive sector shifted promotional spend toward temporary sales incentives. The NAA forecasts a stabilization of national advertising (flat in 2007) which will likely finish 2006 down -5.4%. The key category that the NAA focused on was telecom, which was off -27% in 3Q06. Other weak categories in national have been studio advertising, transportation and travel, and auto.

Select national advertising categories ($ millions)							
Year	2000	2001	2002	2003	2004	2005	Compound annual growth 2000–2005
Utilities	$1,391	$1,394	$1,498	$1,859	$1,823	$1,552	
%growth		*(0.2)%*	*7.5%*	*24.1%*	*(1.9)%*	*(14.9)%*	*2.2%*
Transportation/travel	$1,429	$1,359	$1,359	$1,291	$1,331	$1,163	
%growth		*(4.9)%*	*0.0%*	*(5.0)%*	*3.1%*	*(12.6)%*	*(4.0)%*
Coupon marketing organizations	$964	$886	$899	$924	$987	$1,131	
%growth		*(8.1)%*	*1.5%*	*2.8%*	*6.8%*	*14.6%*	*3.2%*
Motion pictures	$1,276	$1,012	$1,125	$1,163	$1,149	$1,040	
%growth		*(20.7)%*	*11.2%*	*3.4%*	*(1.2)%*	*(9.5)%*	*(4.0)%*
Automotive	$638	$633	$638	$690	$757	$869	
%growth		*(0.8)%*	*0.8%*	*8.2%*	*9.7%*	*14.8%*	*6.4%*
Publishing/media	$432	$357	$390	$391	$469	$484	
%growth		*(17.4)%*	*9.2%*	*0.3%*	*19.9%*	*3.2%*	*2.3%*
Total advertising	$7,653	$7,004	$7,210	$7,797	$8,083	$7,910	
%growth		*(8.5)%*	*2.9%*	*8.1%*	*3.7%*	*(2.1)%*	*0.7%*

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Newspaper Association of America

Classified advertising, including employment, real estate and automotive, is the most cyclical ad category. For example, between 2000 and 2001, classified advertising revenues fell 15.2%, as compared to retail and national advertising which fell 3.4% and 8.5%, respectively. On the upswing, however, classified advertising benefits directly from job creation (help wanted) and wealth creation (real estate, automotive). For this reason, classified advertising has provided an important offset to softness in retail and national advertising since 2003. The NAA expects classified to decline -1.3% in 2007 following an expected -0.9% decrease in 2006. The modest decline assumes auto weakness moderating but remaining in negative territory, real estate flat, and recruitment down slightly. Newspapers have been increasingly successful with their own online initiatives such as Classified Ventures and CareerBuilder, combating loss of print advertising revenues to the Internet.

Classified advertising by category ($ millions)

Category	2000	2001	2002	2003	2004	2005	Compound annual growth 2000–2005
Employment	$8,713	$5,705	$4,388	$3,977	$4,576	$5,127	
%growth		*(34.5)%*	*(23.1)%*	*(9.4)%*	*15.1%*	*12.0%*	*(10.1)%*
Real estate	$3,167	$3,512	$3,668	$3,954	$4,222	$4,639	
%growth		*10.9%*	*4.4%*	*7.8%*	*6.8%*	*9.9%*	*7.9%*
Automotive	$5,026	$4,889	$5,156	$5,192	$5,015	$4,589	
%growth		*(2.7)%*	*5.5%*	*0.7%*	*(3.4)%*	*(8.5)%*	*(1.8)%*
Other	$2,703	$2,515	$2,686	$2,878	$2,795	$2,957	
%growth		*(7.0)%*	*6.8%*	*(0.3)%*	*4.4%*	*5.8%*	*1.8%*
Total	$19,609	$16,621	$15,898	$15,801	$16,608	$17,312	
%growth		*(15.2)%*	*(4.3)%*	*(0.6)%*	*5.1%*	*4.2%*	*(2.5)%*

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Newspaper Association of America

Online advertising. In order to capitalize on the vast growth opportunities online, many publishers have developed partnerships or formed syndicates focused on capturing more ad revenues, in a cost-efficient manner. Newspapers have been aggressively developing their Internet presence, both through their own Web sites and through investments into other Internet properties such as CareerBuilder (jointly owned by Tribune, Gannett and McClatchy), Classified Ventures (Tribune, McClatchy, Gannett, Washington Post and Belo) and ShopLocal.com (Tribune, Gannett and McClatchy).

Daily online newspaper advertising spending ($ millions)

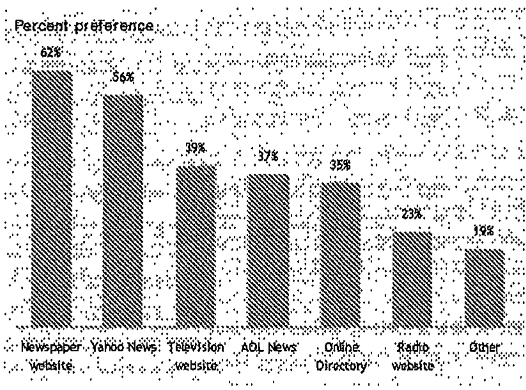
							Forecast					Compound annual growth	
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000–2005	2005–2010
National	$262	$291	$256	$305	$348	$426	$512	$610	$719	$831	$942		
%growth		*11.1%*	*(12.0)%*	*19.1%*	*14.1%*	*22.4%*	*20.3%*	*19.2%*	*17.9%*	*15.6%*	*13.3%*	*10.2%*	*17.2%*
Local	$404	$494	$655	$811	$1,194	$1,988	$2,565	$3,165	$3,776	$4,410	$4,930		
%growth		*22.3%*	*32.6%*	*23.8%*	*47.2%*	*66.5%*	*29.0%*	*23.4%*	*19.3%*	*16.8%*	*11.8%*	*37.5%*	*19.9%*
Content	$10	$24	$51	$62	$62	$70	$78	$85	$91	$96	$100		
%growth		*140.0%*	*112.5%*	*21.6%*	*0.0%*	*12.9%*	*11.4%*	*9.0%*	*7.1%*	*5.5%*	*4.2%*	*47.6%*	*7.4%*
Total online	$676	$809	$962	$1,178	$1,604	$2,484	$3,155	$3,860	$4,586	$5,337	$5,972		
%growth		*19.7%*	*18.9%*	*22.5%*	*36.2%*	*54.9%*	*27.0%*	*22.3%*	*18.8%*	*16.4%*	*11.9%*	*29.7%*	*19.2%*

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Newspaper Association of America

[1] Online advertising in weekly newspapers is included

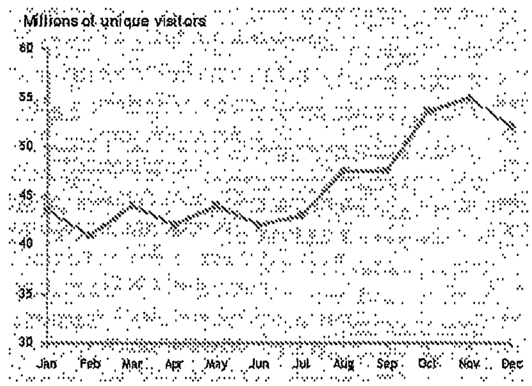
Online newspaper statistics show that newspaper brands represent trusted sources of news and information for consumers in the online world. Newspapers own 11 of the top 25 online news and information Web sites and, locally, they provide the dominant information site in most of the top 75 markets. More than a third of active Internet users—56 million adults—visited newspaper Web sites in May 2006, a 30 percent increase from the same period in 2005, according to Nielsen//NetRatings. As a result, newspapers' online editions clearly extend reach into a highly attractive, digital-savvy demographic.

Consumer preference for online news



Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Newspaper Association of America

Unique visitors to newspaper websites in 2005 (millions)



Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Newspaper Association of America, Nielsen Net/Ratings

Broadcasting

The commercial television broadcasting industry is now over sixty years old. In its early years, the first stations were located in the very high frequency band, or VHF (channels 2-13), but today over half of the more than 1,200 licensed commercial stations are located in the ultra high frequency band, or UHF (channels 14-69). Historically, VHF stations had a competitive edge as a result of greater signal coverage, universal receiver reach and lower transmission costs. But improvements in UHF transmitters, the elimination of VHF-only receivers, and the widespread existence of cable and satellite carriage have equalized the technical reach of VHF and UHF stations. VHF stations generally remain stronger for historical reasons, including earlier affiliation with the major networks and more established local news operations. Tribune owns 6 VHF stations, including in New York, Los Angeles and Chicago, and 17 UHF stations.

The vast majority of commercial television stations are affiliated with broadcast networks, which are their primary program suppliers. Stations with no affiliation are termed "independents." Network affiliation agreements generally give stations both the exclusive right and, subject to limited preemption rights, the obligation to carry the networks' programming and the network advertising within it. The affiliates receive the ability to sell some of the time within and around the network programs, as well as preserving substantial local time periods which they program and for which they retain all advertising revenues. Tribune operates 14 CW affiliated stations, 6 Fox affiliates, 1 ABC affiliate and 2 MyNetwork affiliates.

Television stations typically generate over 90% of their revenues from one of five categories of advertising: (1) national spot advertising, (2) local spot advertising, (3) network compensation, (4) political advertising, and (5) retransmission consent fees. Tribune's television stations generate approximately 90% of revenue from spot advertising.

Over-the-air Television Advertising Expenditures ($ millions)

							Forecast					Compound annual growth	
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000–2005	2005–2010
Network	$16,220	$15,008	$15,881	$15,997	$17,570	$17,256	18,102	17,993	19,378	18,913	19,688		
%growth		(7.5%)	5.8%	0.7%	9.8%	(1.8%)	4.9%	(0.6%)	7.7%	(2.4%)	4.1%	1.2%	2.7%
National spot	12,264	9,223	10,920	9,948	11,370	10,517	12,147	11,005	12,249	11,245	12,740		
%growth		(24.8)	18.4	(8.9)	14.3	(7.5)	15.5	(9.4)	11.3	(8.2)	13.3	(3.0)%	3.9%
Local	13,542	12,256	13,114	13,520	14,507	14,072	14,888	14,918	15,585	15,176	15,920		
%growth		(9.5)	7.0	3.1	7.3	(3.0)	5.8	0.2	6.3	(4.3)	4.9	0.8%	2.5%
Total station	25,806	21,479	24,034	23,468	25,877	24,589	27,035	25,923	28,107	26,420	28,660		
%growth		(16.9%)	11.9%	(2.4%)	10.3	(5.0%)	9.9%	(4.1%)	8.4%	(6.0%)	8.5%	(1.0)%	3.1%

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Jupiter Kagan, Television Bureau of Advertising, Universal McCann

Broadcast television advertising generally lags nominal GDP growth in odd years due to the lack of political and Olympics advertising spending and exceeds nominal GDP growth in even years due to increases in political and Olympics spending.

Local and national spot advertising growth in even-numbered years vs. odd-numbered years

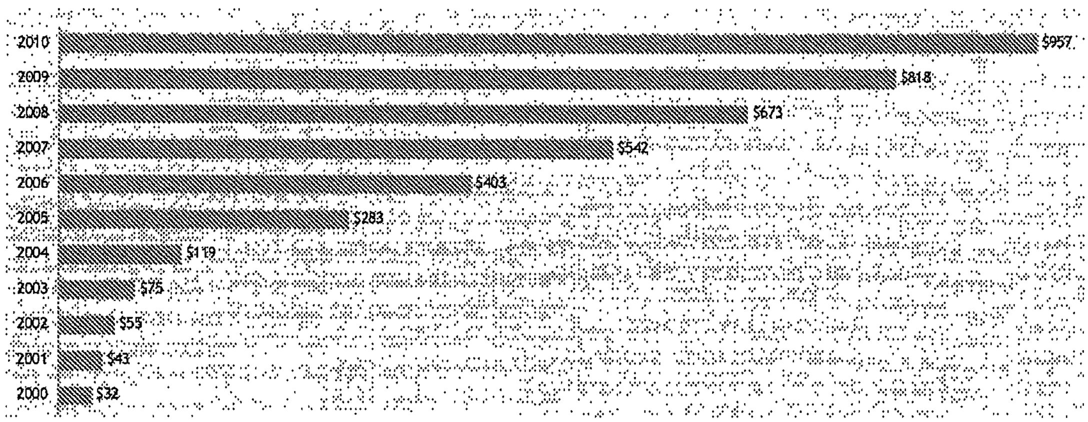
Even-numbered years				Odd-numbered years			
Year	National spot	Local	Differential	Year	National spot	Local	Differential
2002	11.4%	7.0%	(4.4)	2001	(0.2)%	(0.1)%	0.2
2004	14.3	7.3	(7.0)	2003	(8.9)	3.1	12.0
2006	15.5	5.8	(9.7)	2005	(7.5)	(3.0)	4.5
Wgt. avg.	13.7	6.3	(7.5)	Wgt. avg.	(11.2)	(1.6)	9.6

Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Universal McCann

A major challenge affecting broadcast television is the perception that the 30-second spot has become less effective, pushing advertisers to test alternative media strategies, such as branded entertainment, videogame advertising, online marketing and podcasting among others. While broadcast TV ratings have declined, advertisers have continued to increase spending in the medium because of its ability to reach mass audiences. But the popularity of DVRs and video-on-demand (VOD) services, which allow consumers to bypass commercial spots, has led advertisers to question the effectiveness of their investments in traditional TV advertising. Consequently, broadcasters have taken steps to offer new advertising options, improve ratings and develop additional revenue streams. One step taken by TV networks to avert the effects of ad skipping technology is the integration of products into the content of television programs. While products may be discretely placed as props within scenes, they also serve as featured program aspects.

Similar to newspapers, viewers are choosing the internet to search for news and entertainment. The move by broadcasters to establish an online presence where local news, weather and other entertainment has proven effective in allowing advertisers to reach consumers and halt the decline of broadcast advertising revenues.

Local online advertising spending at television station websites[1] ($ millions)



Source: (20th Ed - 2006) Veronis Suhler Stevenson, PQ Media, Harris Nesbitt, Interactive Advertising Bureau, Television Bureau of Advertising

[1] Limited to local broadcast stations. Does not include broadcast networks, cable networks or local MSA system

The success of *Who Wants to be a Millionaire* and *Survivor* during the 1999-00 and 2000-01 television seasons spurred a reality-show trend that prompted television networks to load up their schedules with relatively low-budget unscripted shows for the next three seasons. But the 2004-05 season marked a departure from that trend, as scripted dramas enjoyed something of a renaissance. The success of *Grey's Anatomy*, *Desperate Housewives*, *Lost*, *24* and *CSI* is expected to prompt producers to pitch more scripted shows to networks. For the most part, reality TV has shaken its reputation as cut rate content plagued by scandals and big failures. The staying power of *American Idol* and *Survivor* has resonated with network executives. Estimates for revenues in 2007 are expected to be flat vs. the 5%-6% increase in 2006 as much of the growth was driven by political advertising. Retransmission revenue is expected to increase for most operators, which should slightly offset the absence of political advertising in 2007.

Local TV stations must also take into consideration that Nielsen has changed its methodology for measuring local TV audiences. The introduction of the electronic "people meter" by Nielsen was supposed to give advertisers greater insight into viewer habits. The introduction of the system in 2005/2006 resulted in a sharp decrease in reported viewers for television shows in local markets due to the fact that it requires active participation. The previous system, a decades-old technique involving both passive household metering coupled with week-long diaries that are mailed to the homes, has been criticized as ineffective as viewers have been known to wait until the end of the week to jot down what they watched, making the diary entries less than perfectly accurate. However, the active participation imposed by people meters, which has been used nationally since 1980, generally under-represents audiences, especially younger viewers.

Regulation

The Company's television and radio broadcasting operations are subject to FCC jurisdiction under the Communications Act of 1934, as amended. FCC rules, among other things, govern the term, renewal and transfer of radio and television broadcasting licenses, and limit concentrations of broadcasting control inconsistent with the public interest. The Company is permitted to own both newspaper and broadcast operations in the Chicago market by virtue of "grandfather" provisions in the FCC regulations and in the Fort Lauderdale/Miami market by virtue of a temporary waiver of the television/newspaper cross-ownership rule.

Congress removed national limits on the number of broadcast stations a licensee may own in 1996. However, federal law continues to limit the number of radio and television stations a single owner may own in a local market, and caps the percentage of the national television audience that may be reached by a licensee's television stations in the aggregate at 39%. The local ownership rules allow, under certain conditions, common ownership of two television stations and certain radio/television station combinations.

On June 2, 2003, the FCC adopted new media ownership rules, including a new television/newspaper cross-ownership rule. The new rule eliminates the cross-ownership prohibition entirely in markets with nine or more television stations. In September 2003, the United States Court of Appeals for the Third Circuit stayed the effectiveness of the new media ownership rules pending the outcome of appeals by advocacy groups challenging the new rules. In June 2004, the Third Circuit remanded the new rules to the FCC for further processing while keeping its stay in effect. Despite appeals by the Company and other media companies the FCC has not yet approved the changes to the cross-ownership ban in major markets.

Pending a conclusion to the debate surrounding the FCC's 2003 new media ownership rules, the Company is permitted to retain its newspaper and television operations in each of the five markets where it owns both newspaper and television operations—New York, Los Angeles, Chicago, South Florida, and Hartford.

Digital television

The FCC has approved technical standards and channel assignments for digital television ("DTV") service. DTV permits broadcasters to transmit video images with higher resolution than existing analog signals. DTV also enables broadcasters to offer multiple programming choices, called multicasting, and interactive capabilities that will allow them to target niche markets. The ability to broadcast on multiple channels within the digital spectrum will give broadcasters the ability to have a main channel plus niche channels, e.g. local news, weather and other community specific events. Operators of full-power television stations have each been assigned a second channel for DTV while they continue analog broadcasts on the original channel. After the transition is complete, broadcasters will be required to return one of the two channels to the FCC and transmit exclusively in digital format.

By law, the transition to DTV was to occur by December 31, 2006. However, in December 2005, the Senate passed a bill that would, among other things, extend the digital transition deadline to February 17, 2009. Conversion to digital transmission is requiring all television broadcasters, including Tribune, to invest in digital equipment and facilities. As of December 31, 2006, all of the Company's television stations were DTV compliant.

7. Company overview

History and highlights

Tribune is a leading, diversified media and entertainment company. Through its subsidiaries, the Company is engaged in newspaper publishing, television and radio broadcasting and entertainment. The Company was founded in 1847 and incorporated in Illinois in 1861. As a result of a corporate restructuring in 1968, the Company became a holding company incorporated in Delaware.

Publishing highlights:

- Revenue mix in 2006: 80% advertising, 14% circulation, 6% other
- Second-largest U.S. publisher by revenues and by circulation
- 11 market-leading daily newspapers[1]
- Over 50 websites serving 14 million unique visitors per month
- More than 130 targeted niche publications, including community and Spanish-language newspapers, and lifestyle magazines
- Over 100 Pulitzer Prizes

Broadcasting and Entertainment highlights:

- Revenue mix in 2006: 83% television, 17% radio and entertainment
- 23 stations—14 CW affiliates; 6 Fox; 1 ABC; 2 MNTV
- Largest TV group (by coverage) not owned by a network
- Stations in each of top 3 markets
- Superstation WGN reaches more than 70 million U.S. households

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[1] Includes two daily newspapers that are being sold in the SCNI transaction

Equity investments:

Tribune's significant equity investments include:

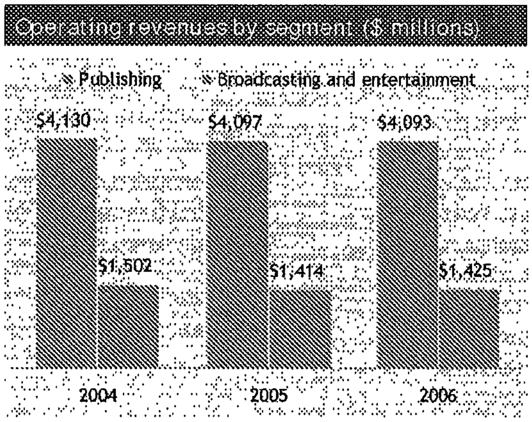
Equity investments		
Company		**% owned**
careerbuilder	■ Online job site offering an online and print network to help job seekers connect with employers ■ Includes more than 150 newspaper affiliates and leading portals such as AOL and MSN	43%
Classified Ventures	■ Joint venture with properties in the online real estate and automotive advertising categories ■ Includes apartments.com, cars.com and homegain.com	28
Comcast SportsNet	■ Regional cable sports network that carries Chicago sports team games ■ Teams include the Cubs, Bulls, White Sox, and Blackhawks	25
shopLocal	■ A multi-channel shopping service offering a complete set of solutions connecting retailers and consumers online and in-store	43
Legacy.com	■ Leading provider of online obituary solutions for the newspaper industry	40
topix	■ Leading news community on the web, connecting people to the information and discussions that matter to them in every U.S. town and city	34
food	■ Lifestyle cable/satellite television network focusing on food and entertaining	31

Segment overview

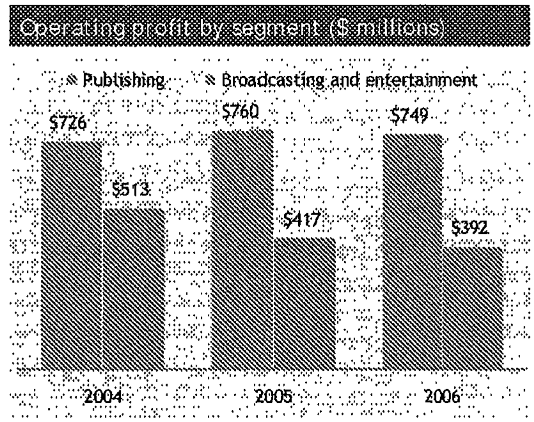
The Company's operations are divided into two industry segments: (i) Publishing and (ii) Broadcasting and Entertainment. These segments operate primarily in the United States. Certain administrative activities are not included in either segment, but are reported as corporate. These segments reflect the way the Company sells its products to the marketplace, manages operations and makes business decisions.

The Company's fiscal year ends on the last Sunday in December. Fiscal year 2006 ended on Dec. 31, 2006 and encompassed 53 weeks, while fiscal years 2005 and 2004 each encompassed 52 weeks. For 2006, the additional week increased consolidated operating revenues and operating expenses by approximately 1.5% and consolidated operating profit by approximately 2%.

The following charts set forth operating revenues and profit information for each segment of the Company:



Note: Reported results; Includes 53rd week



Note: Reported results. Operating profit for each segment excludes interest and dividend income, interest expense, equity income and loss, non-operating items and income taxes; Includes stock based compensation and 53rd week

The Company's results of operations, when examined on a quarterly basis, reflect the seasonality of the Company's revenues. Second and fourth quarter advertising revenues are typically higher than first and third quarter revenues. Results for the second quarter reflect spring advertising revenues, while the fourth quarter includes advertising revenues related to the holiday season.

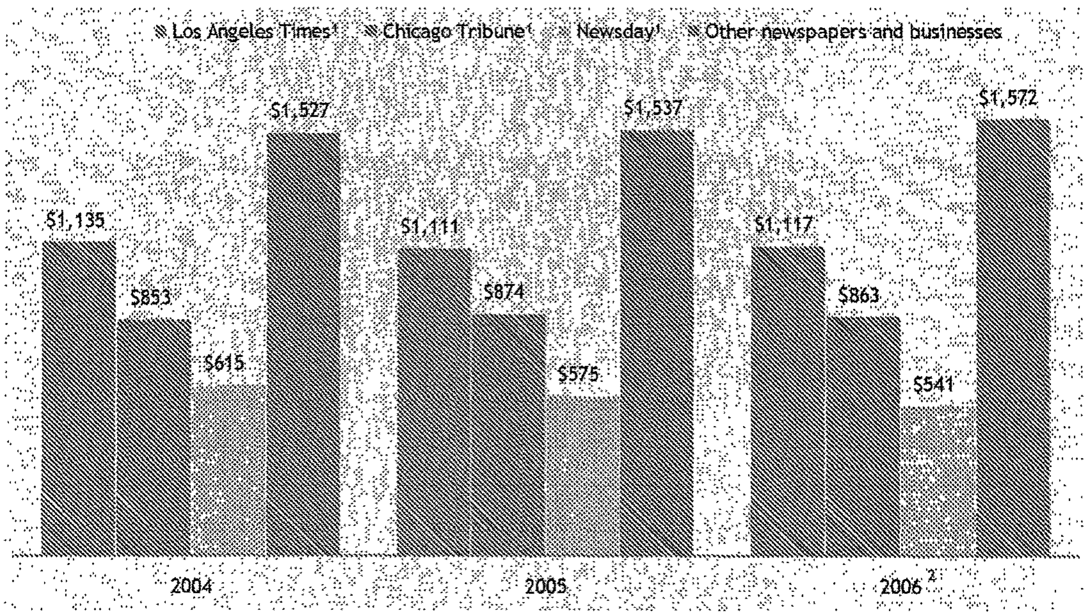
Publishing

The publishing segment represented 74% of the Company's consolidated operating revenues in 2006. For the six months ended September 2006, total average paid circulation for Tribune's 11 metro newspapers averaged 2.8 million copies daily (Mon.-Fri.) and 4.1 million copies Sunday, a decline of 4.5% and 4.4%, respectively, from 2005. The Company's primary daily newspapers are the *Los Angeles Times*, *Chicago Tribune*, *Newsday*, *South Florida Sun-Sentinel*, *Orlando Sentinel*, *The Sun*, *Hartford Courant*, *The Morning Call*, *Daily Press*, *The Advocate* and *Greenwich Time*. The Company's publishing segment manages the websites of the Company's daily newspapers and television stations, as well as other branded sites targeting specific communities of interest. The Company also owns entertainment listings, a newspaper syndication and media marketing company, a Chicago-area cable television news channel and other publishing-related businesses.

The additional week in fiscal year 2006 increased publishing advertising revenues, circulation revenues, and operating profit by approximately 2% and increased operating expenses by approximately 1.5%.

Operating revenues for the Company's three largest newspapers, including their related businesses, for the last three years were as follows:

Operating revenues by newspaper ($ millions)



Note: Reported results

[1] Includes the daily newspaper and other related businesses

[2] Includes 53rd week

The following table provides a breakdown of operating revenues for the publishing segment for the last three years:

Breakdown of publishing revenues ($000s)

	Fiscal year ended December		
	2004	2005	2006
Advertising			
Retail	$1,330,951	$1,323,547	$1,344,124
National	802,530	774,093	736,808
Classified	1,095,012	1,146,460	1,179,128
Total advertising	$3,228,493	$3,244,100	$3,260,060
Circulation	643,947	596,163	575,043
Other[1]	257,410	256,587	257,459
Total	$4,129,850	$4,096,850	$4,092,562

[1] Primarily includes revenues from advertising placement services; the syndication of columns, features, information and comics to newspapers; commercial printing operations; delivery of other publications; direct mail operations; cable television news programming; distribution of entertainment listings; and other publishing-related activities

The following table sets forth information concerning the Company's advertising volume for its daily newspapers for the last three years:

Advertising volume (000s)	Fiscal year ended December		
	2004	2005	2006
Advertising inches			
Full run			
Retail	6,200	5,980	6,119
National	3,998	3,774	3,457
Classified	10,265	10,023	10,154
Total full run	20,463	19,777	19,730
Part run	20,575	20,112	21,217
Total advertising inches	41,038	39,889	40,947
Preprint pieces	14,680	14,929	14,929

The following table sets forth information concerning the Company's circulation for its primary daily newspapers:

Circulation (000s)	Average paid circulation for the six months ended September[1]					
	Daily[2]			Sunday		
	2004	2005	2006	2004	2005	2006
Los Angeles Times	877	843	776	1,292	1,248	1,172
Chicago Tribune	601	586	576	964	951	938
Newsday (Long Island)	459	432	411	521	496	475
South Florida Sun-Sentinel	232	227	222	337	322	305
Orlando Sentinel	247	220	214	364	331	317
The Sun (Baltimore)	270	247	236	454	419	381
Other daily newspapers[3]	436	422	408	597	571	559
Total Net Paid Circulation[4]	3,122	2,977	2,843	4,529	4,338	4,147
Total Individually Paid Circulation[4]	2,880	2,759	2,724	4,324	4,171	4,066

[1] Circulation data is based on internal records, is subject to audit by the Audit Bureau of Circulations ("ABC") and may be updated in subsequent filings

[2] Average daily circulation is based on a five-day (Mon.—Fri.) average

[3] Other daily newspapers include *Hartford Courant*, *The Morning Call*, *Daily Press*, *The Advocate* and *Greenwich Time*

[4] Individually paid circulation includes home delivery and single copy sales. This circulation is more highly valued by advertisers and represented 96% of total daily circulation and 98% of total Sunday circulation for the six months ended September 2006. Total net paid circulation includes both individually paid and other paid (education, sponsored, hotels) copies

Each of the Company's newspapers operates independently to most effectively meet the needs of the community it serves. Local management establishes editorial policies. The Company coordinates certain aspects of operations and resources in order to provide greater operating efficiency and economies of scale.

The Company's newspapers compete for readership and advertising with other metropolitan, suburban and national newspapers, and also with television, radio, Internet services and other media. Competition for newspaper advertising is based upon circulation levels, readership demographics, price, service and advertiser results, while competition for circulation is based upon the content of the newspaper, service and price.

The *Los Angeles Times*, *Chicago Tribune*, *South Florida Sun-Sentinel*, *Orlando Sentinel*, *Daily Press*, *The Morning Call*, *The Advocate* and *Greenwich Time* are printed in Company-owned production facilities. *Newsday*, *The Sun* and *Hartford Courant* are printed on Company-owned presses in production facilities leased from an affiliate (see Note 7 to the consolidated financial statements in Item 8 provided in the Annual Report Form 10-K for the year ended December 31, 2006). The principal raw material is newsprint. In 2006, the Company's newspapers consumed approximately 697,000 metric tons of standard newsprint, 45.0 gram basis weight. Average newsprint prices increased 10% in 2006 from 2005 reflecting increased market prices. Average newsprint prices increased 12% and 10% in 2005 and 2004, respectively.

The Company is party to an agreement with Abitibi Consolidated Inc., expiring in 2009, to supply newsprint. Under the current agreement, the Company purchased approximately 369,000 metric tons of newsprint in 2006, representing 53% of the Company's newsprint purchases and has agreed to purchase 369,000 metric tons in 2007, 2008 and 2009, subject to certain limitations, based on market prices at the time of purchase.

I. *Los Angeles Times* and Related Businesses

The *Los Angeles Times* has been published continuously since 1881. The newspaper has won 37 Pulitzer Prizes and is the largest daily metropolitan newspaper in the United States in circulation. The Los Angeles market ranks second in the nation in terms of households. In its primary circulation areas of Los Angeles, Orange, Ventura, San Bernardino and Riverside counties, the *Los Angeles Times* competes for advertising and circulation with 16 local daily newspapers and three daily national newspapers, with its largest local competitor having almost 300,000 in average daily circulation. For the six-month period ended September 2006, the *Los Angeles Times* ranked fourth and second in the country for average daily and Sunday circulation, respectively, according to ABC. Approximately 78% and 81% of the paper's daily and Sunday circulation, respectively, was home delivered in 2006, with the remainder primarily sold at newsstands and vending boxes.

In addition to the daily edition covering the Los Angeles metropolitan area, the *Los Angeles Times* publishes Orange County, San Fernando Valley, Inland Empire and Ventura County editions. Daily and semi-weekly community newspapers are either inserted into the paper in selected geographic areas or distributed to homes and through vending machines to provide targeted local news coverage. The company operates latimes.com, an online expanded version of the newspaper featuring 50,000 content pages, which provides entertainment, local, national and international news, and theenvelope.com, a comprehensive year-round entertainment awards website. The company owns 50% of California Independent Postal Systems ("CIPS"), which provides alternative distribution services for advertising preprints. MediaNews Group, Inc. owns the other 50% of CIPS.

II. *Chicago Tribune* and Related Businesses

Founded in 1847, the *Chicago Tribune* is the flagship publication of Tribune. The newspaper has won 24 Pulitzer Prizes and is the largest circulation paper in Chicago and the Midwest. It ranks eighth among U.S. daily newspapers with an average daily paid circulation of approximately 576,000; and third among U.S. Sunday newspapers with an average Sunday paid circulation of approximately 938,000. Approximately 84% of its weekday newspapers and 74% of its Sunday newspapers are home delivered with the remainder primarily sold at newsstands and vending boxes. It also operates chicagotribune.com, an online version of the newspaper and *RedEye*, a free daily newspaper in Chicago targeting young, urban commuters.

Other businesses owned by Tribune include Tribune Direct, which provides integrated and comprehensive direct mail services, and Chicagoland Publishing Company, which publishes a number of free guides in the real estate, automotive and help wanted categories. Chicagoland

Publishing also publishes the monthly magazine *Chicago*, which earned a 2004 National Magazine "Ellie" Award for general excellence.

III. *Newsday* and Related Businesses

Newsday is published daily and circulated primarily in Nassau and Suffolk counties on Long Island, New York, and in the borough of Queens in New York City. The paper has been published since 1940 and has won 18 Pulitzer Prizes. The New York metropolitan area ranks first among U.S. markets in terms of households. *Newsday* competes with three major metropolitan newspapers, daily regional editions of several national newspapers and numerous daily, weekly and semiweekly local newspapers and free distribution newspapers. Approximately 70% of the paper's daily and 66% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes. See Note 4 to the consolidated financial statements in Item 8 provided in the Annual Report Form 10-K for the year ended December 31, 2006, for a discussion of charges recorded in 2004 related to the anticipated settlement with advertisers regarding misstated circulation at *Newsday*.

Newsday, Inc., publisher of *Newsday*, also publishes *Distinction*, a magazine serving Long Island's households, issued 10 times per year; *Parents & Children*, a magazine for Long Island families, issued 12 times per year; *Long Island Weddings*, a magazine for brides-to-be, published two times per year; and *Wellness*, a magazine serving Long Island's 40+ health and fitness market, published six times per year. Newsday, Inc.'s subsidiary, Star Community Publishing Group, LLC, publishes 183 pennysaver editions in Nassau and Suffolk counties on Long Island, New York, and in the boroughs of Queens, Brooklyn and Staten Island in New York City. Additionally, the results of *amNew York*, a free daily newspaper in New York City targeting young, urban commuters, are included in Newsday, Inc.'s results. Newsday, Inc. also has several websites including newsday.com and amny.com, which are online versions of the newspapers.

IV. Other Newspapers

The Company's other primary daily newspapers are *South Florida Sun-Sentinel*, *Orlando Sentinel*, *The Sun*, *Hartford Courant*, *Daily Press*, *The Morning Call*, *The Advocate* and *Greenwich Time*.

The *South Florida Sun-Sentinel* is the major daily newspaper serving the Broward/Palm Beach County market, leading in both circulation and readership. The Miami/Fort Lauderdale/Miami Beach metropolitan area, which includes Broward and Palm Beach counties, ranks sixth in the nation in terms of households. Approximately 75% of the paper's daily and 71% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes.

Sun-Sentinel Company, publisher of the *South Florida Sun-Sentinel*, also serves the news and information needs of South Florida through sun-sentinel.com, its breaking news and information website; southflorida.com, a South Florida entertainment website; *el Sentinel*, a weekly Spanish language newspaper; *Teenlink*, a weekly newspaper distributed in Broward County high schools; weekly community newspapers; niche publications; and television and radio partnerships, including its close working relationship with Tribune Broadcasting's WSFL-TV, Miami, the CW Network affiliate serving South Florida.

Other publications produced by Sun-Sentinel Company include: *City & Shore*, a bimonthly lifestyle magazine; *City Link*, an alternative weekly newspaper; *Florida New Homes & Condo Guide*, a comprehensive bimonthly guide to South Florida real estate; *Jewish Journal*, a collection of weekly newspapers serving South Florida's Jewish community; and *South Florida Parenting*, a monthly magazine providing parenting information and resources for local families.

The *Orlando Sentinel* primarily serves a six-county area in central Florida. The newspaper is the only major daily newspaper in the Orlando market, although it competes with other Florida and national newspapers, as well as with other media. The *Orlando Sentinel* has been published since 1876 and has won three Pulitzer Prizes. The Orlando market ranks 27th among U.S. markets in terms of households. Approximately 80% of the paper's daily and 73% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes.

Orlando Sentinel Communications Company, publisher of the *Orlando Sentinel* and orlandosentinel.com, also publishes *ShopLocal*, a free weekly publication used to distribute advertising and content to newspaper non-subscribers. In addition to orlandosentinel.com, the company operates metromix.com covering central Florida. The company publishes the weekly, Spanish-language newspaper, *El Sentinel*, and its companion website, elsentinel.com, as well as six weekly Forum community newspapers. The company's multimedia portfolio also includes free-distribution, niche products in the central Florida market including *Job Xtra* and *AutoFinder* magazines. Orlando Sentinel Communications offers direct marketing/direct mail services through Tribune Direct/Orlando in addition to distribution services for other publications.

The Sun, Maryland's largest newspaper, has won 15 Pulitzer Prizes since it began publishing a daily newspaper in 1837. The Baltimore market ranks 20th in the United States in number of households. For the six-month period ending Sept. 25, 2006, *The Sun* was ranked the 22nd largest newspaper in the country by Sunday circulation according to ABC. *The Sun* competes with *Baltimore Examiner* as well as *The Washington Post* in Anne Arundel and Howard counties, with *The Annapolis Capital* in Anne Arundel County and with *The Carroll County Times* in Carroll County. It also competes with regional editions of national daily newspapers, as well as other local dailies and weeklies. Approximately 79% of the paper's daily and 64% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes.

The Baltimore Sun's subsidiaries, Patuxent Publishing and Homestead Publishing, publish 17 weekly newspapers throughout Anne Arundel, Baltimore, Carroll, Harford and Howard counties. The largest of these weekly newspapers are *The Columbia Flier*, *The Towson Times*, *The Owings Mills Times* and *The Aegis*. The Baltimore Sun also operates a market-leading website, baltimoresun.com, as well as baltimore.metromix.com, a local entertainment site targeting users in the 18-34 demographic.

Hartford Courant, founded in 1764, is the oldest continuously published newspaper in the United States. It is the most widely circulated and read newspaper in Connecticut and the strongest medium in the state for advertisers and readers alike. Winner of two Pulitzer Prizes and twice named one of the five best-designed newspapers in the world, *Hartford Courant* is published in the state's capital, Hartford, and serves the state's northern and central regions. The Hartford Courant's primary market is the Hartford market, which includes Hartford, Tolland and Middlesex counties. The Hartford market ranks 44th among U.S. markets in terms of households. Hartford Courant Company, publisher of *Hartford Courant*, has one of the most extensive zoning operations in the country, publishing eight editions of *Hartford Courant* zoned for local news and advertising. The company also operates courant.com, Connecticut's leading online news site, and ctnow.com, a statewide entertainment website. It also owns two subsidiaries: New Mass Media, Inc., a publisher of four weekly alternative newspapers in Connecticut and Massachusetts, and ValuMail, Inc., a shared-mail company that distributes advertising supplements to more than two million households in Connecticut, Massachusetts, New York and Rhode Island. Approximately 90% of the paper's daily and 78% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes.

Founded in 1896, the *Daily Press* serves the Virginia Peninsula market, which includes Newport News, Hampton, Williamsburg and eight other cities and counties. This market, together with Norfolk, Portsmouth and Virginia Beach, is the 40th largest U.S. market in terms of households. *Daily Press* is the only major daily newspaper in its primary market, although it competes with other regional and national newspapers, as well as with other media. Approximately 84% of the paper's daily and 80% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes. The Daily Press, Inc., publisher of *Daily Press*, also owns *The Virginia Gazette*, which is published twice weekly and primarily serves Williamsburg, Va., and surrounding counties. The *Daily Press* serves the Internet community through its online affiliates dailypress.com, 7cities.com and hrtownsquare.com.

The Morning Call, published since 1895, is the leading regional newspaper for nine counties in eastern Pennsylvania and New Jersey. The Morning Call, Inc., publisher of *The Morning Call*, offers free publications serving the recruitment and real estate markets, and selected high-income households. A free weekly newspaper and a targeted online venture serve the 18-34 year-old audience. Subsidiaries of The Morning Call, Inc. offer full service direct marketing and saturation preprint delivery through non-subscriber distribution. In addition, the company owns and operates the premier regional website, mcall.com. Allentown-Bethlehem-Easton is the 60th largest U.S. market in terms of households. Approximately 83% of the paper's daily and 79% of its Sunday circulation is sold through home delivery, with the remainder primarily sold at newsstands and vending boxes.

The Advocate and *Greenwich Time*, currently in the process of being sold, primarily serve the Stamford/Greenwich market in southwestern Fairfield County, Conn. The newspapers also serve neighboring Norwalk. *The Advocate* has won a Pulitzer Prize.

V. Other Publishing Related Businesses

The Company also owns targeted publications, including three editions of the Spanish language newspaper, *Hoy*. *Hoy*, New York, a free publication as of January 2006, was introduced in 1998; *Hoy*, Chicago, is a free publication introduced in September 2003; and *Hoy*, Los Angeles, is a free publication introduced in March 2004. See Note 3 to the consolidated financial statements in Item 8 provided in the Annual Report Form 10-K for the year ended December 31, 2006,for a discussion of the charges recorded in 2004 related to the anticipated settlement with advertisers regarding misstated circulation at *Hoy*, New York. *Hoy* provides local, national and international news and features of interest to Hispanics. *Hoy*, New York, serves the second-largest Hispanic market in the U.S.; *Hoy*, Los Angeles, serves the largest Hispanic market in the U.S.; and *Hoy*, Chicago, serves the fourth largest Hispanic market in the U.S. The Spanish-language daily newspaper also operates hoyinternet.com, a national Spanish-language website. On Feb. 12, 2007, the Company announced the sale of *Hoy*, New York to ImpreMedia, LLC and is expected to close in 2007.

The Company also owns Tribune Media Services, Inc. ("TMS"), which creates, aggregates and distributes news, information and entertainment content that reaches millions of users through print, online and on-screen media. The TMS Entertainment Products group creates TV and movie guide products for major media companies and consumers. TMS provides data for interactive program guides to cable, satellite operators and consumer electronics manufacturers. The TMS News and Features group licenses content from more than 600 writers, artists, newspaper and magazine publishers, and wire services to roughly 4,000 media customers worldwide.

The Company also operates CLTV, a regional 24-hour cable news channel serving Chicagoland. CLTV was launched in January 1993 and currently is available to more than 1.6 million cable households in the Chicago market.

Broadcasting and Entertainment

The broadcasting and entertainment segment represented 26% of the Company's consolidated operating revenues in 2006. At Dec. 31, 2006, the segment included The CW Television Network ("The CW Network") affiliates located in New York, Los Angeles, Chicago, Dallas, Washington, D.C., Houston, Miami, Denver, St. Louis, Portland, Indianapolis, San Diego, Hartford, and New Orleans; the FOX Network television affiliates in Seattle, Sacramento, Indianapolis, Hartford, Grand Rapids and Harrisburg; MyNetworkTV affiliates in Philadelphia and Seattle; an ABC television affiliate in New Orleans; Superstation WGN; one radio station in Chicago; the Chicago Cubs baseball team; and Tribune Entertainment, a company that distributes its own programming together with programming licensed from third parties. On Jan. 24, 2006, the Company announced that it had reached a 10-year agreement to affiliate 16 of its former WB Network affiliate stations with The CW Network. The network was launched in September 2006 by Warner Bros. Entertainment and CBS. The network airs a portion of the programming previously carried on the WB Network and the UPN Network, as well as new programming. The WB Network was shut down in 2006. The Company did not incur any costs related to the shutdown of the WB Network. The Company sold its Albany and Boston stations, both CW Network affiliates, in December 2006.

In the second quarter of 2006, the Company announced that its other three WB Network affiliates (Philadelphia, Atlanta and Seattle) would become affiliates of the new broadcast network, MyNetworkTV, which was launched in September 2006 by the FOX Television Stations Network Inc. and Twentieth Century Television. The new network airs primarily prime-time dramas. The Company subsequently sold its Atlanta station in August 2006.

The additional week in fiscal year 2006 increased operating revenues, operating expenses and operating profit in the broadcasting and entertainment segment by approximately 1%. The following table shows sources of operating revenues for the broadcasting and entertainment segment for the last three years:

Breakdown of broadcasting and entertainment revenues ($000s)

	2004	2005	2006
Television	$1,258,802	$1,165,821	$1,178,104
Radio/entertainment	242,779	248,612	247,042
Total	$1,501,581	$1,414,433	$1,425,146

VI. Television

In 2006, television contributed 83% of the broadcasting and entertainment segment's operating revenues. The Company's television stations compete for audience and advertising with other television and radio stations, cable television and other media serving the same markets. Competition for audience and advertising is based upon various interrelated factors including programming content, audience acceptance and price.

Selected data for the Company's television stations are shown in the following table:

Television station overview

	Market[1] National ranks	Market[1] % of U.S. households	Market[1] FCC %	Analog channel	Affiliation	Major over-the-air stations in market[2]	Expiration of FCC license[3]	Year acquired
WPIX—New York, NY	1	6.6	6.6	11-VHF	CW	7	2007[4, 6]	1948[5]
KTLA—Los Angeles, CA	2	5.0	5.0	5-VHF	CW	8	2006[4, 6]	1985
WGN—Chicago, IL	3	3.1	3.1	9-VHF	CW	8	2005[6]	1948[5]
WPHL—Philadelphia, PA	4	2.6	1.3	17-UHF	MNTV	7	2007[7]	1992
KDAF—Dallas, TX	6	2.1	1.1	33-UHF	CW	9	2006[6]	1997
WDCW—Washington, D.C.	8	2.0	1.0	50-UHF	CW	7	2004[6]	1999
KHCW—Houston, TX	10	1.8	0.9	39-UHF	CW	9	2006[6]	1996
KCPQ—Seattle, WA	14	1.5	1.5	13-VHF	FOX	8	2007[6]	1999
KMYQ—Seattle, WA	14	–	–	22-UHF	MNTV	8	2007[6]	1998
WSFL—Miami, FL	16	1.4	0.7	39-UHF	CW	7	2013[4]	1997
KWGN—Denver, CO	18	1.3	1.3	2-VHF	CW	7	2006[6]	1966
KTXL—Sacramento, CA	20	1.2	0.6	40-UHF	FOX	7	2006[6]	1997
KPLR—St. Louis, MO	21	1.1	1.1	11-VHF	CW	6	2014	2003
KRCW—Portland, OR	23	1.0	0.5	32-UHF	CW	7	2007[6]	2003
WTTV—Indianapolis, IN	25	1.0	1.0	4-VHF	CW	7	2013	2002
WXIN—Indianapolis, IN	25	–	–	59-UHF	FOX	7	2005[6]	1997
KSWB—San Diego, CA	27	0.9	0.5	69-UHF	CW	7	2006[6]	1996
WTIC—Hartford, CT	28	0.9	0.5	61-UHF	FOX	7	2007[4, 6]	1997
WTXX—Hartford, CT	28	–	–	20-UHF	CW	7	2007[4, 6]	2001
WXMI—Grand Rapids, MI	39	0.7	0.3	17-UHF	FOX	7	2005[6]	1998
WPMT—Harrisburg, PA	41	0.6	0.3	43-UHF	FOX	5	2007[7]	1997
WGNO—New Orleans, LA	54	0.5	0.3	26-UHF	ABC	7	2005[6]	1983
WNOL—New Orleans, LA	54	–	–	38-UHF	CW	7	2013	2000

[1] Source: Nielsen Station Index (DMA Market and Demographic Rank Report, September 2006). Ranking of markets is based on number of television households in DMA (Designated Market Area)

[2] Source: Nielsen Station Index (Viewers in Profile Reports, 2006). Major over-the-air stations program for a broad, general audience in the market

[3] See "Governmental Regulation" provided in the Annual Report Form 10-K for the year ended December 31, 2006

[4] See "Governmental Regulation" provided in the Annual Report Form 10-K for the year ended December 31, 2006, for discussion of the Federal Communications Commission ("FCC") television/newspaper cross-ownership rule

[5] Founded by the Company

[6] The WDCW-TV license expired October 2004, the renewal application filed in June 2004 is pending; the WGNO-TV license expired June 2005, the renewal application filed in February 2005 is pending; the WXIN-TV license expired August 2005, the renewal application filed in March 2005 is pending; the WXMI-TV license expired October 2005, the renewal application filed in May 2005 is pending; the WGN-TV license expired December 2005, the renewal application filed in August 2005 is pending; the KWGN-TV license expired in April 2006, the renewal application filed in December 2005 is pending; the KDAF-TV license expired August 2006, the renewal application filed in March 2006 is pending; the KHCW-TV license expired August 2006, the renewal application filed in March 2006 is pending; the KTLA-TV license expired December 2006, the renewal application filed in August 2006 is pending; the KTXL-TV license expired December 2006, the renewal application filed in August 2006 is pending; and the KSWB-TV license expired December 2006, the renewal application filed in August 2006 is pending. The KCPQ-TV license expired in February 2007, the renewal application filed in October 2006 is pending; the KMYQ-TV license expired in February 2007, the renewal application filed in October 2006 is pending; the KRCW-TV license expired in February 2007, the renewal application filed in October 2006 is pending; the WTIC-TV license expires in April 2007, the renewal application filed in December 2006 is pending; the WTXX-TV license expires in April 2007, the renewal application filed in December 2006 is pending; and the WPIX-TV license expires in June 2007, the renewal application filed in February 2007 is pending

[7] The WPHL-TV and WPMT-TV license renewal applications are due by April 1, 2007

Programming emphasis at the Company's stations is placed on network-provided shows, syndicated series, feature motion pictures, local and regional sports coverage, news, and children's programs. These stations acquire most of their programming from outside sources, including The CW Network, the FOX Network and MyNetworkTV, although a significant amount is produced locally. Superstation WGN programming is delivered by cable or satellite outside of the Chicago area and includes syndicated series, movies and first-run programming. Contracts for purchased programming generally cover a period of one to five years, with payment also typically made over several years. The expense for amortization of television broadcast rights in 2006 was $361 million, which represented approximately 31% of total television operating revenues.

Average audience share information for the Company's television stations for the past three years is shown in the following table:

Television station audience share

		Average audience share[1]					
		Total market year ended December,			In-market stations[2] year ended December,		
	Affiliation	2004	2005	2006	2004	2005	2006
WPIX–New York	CW	5.8%	5.1%	4.4%	13.6%	12.4%	11.1%
KTLA–Los Angeles	CW	4.6	4.0	3.6	11.4	10.7	9.9
WGN–Chicago	CW	7.0	6.2	5.9	13.9	13.2	12.9
WPHL–Philadelphia	MNTV	4.0	4.0	3.7	8.2	8.5	8.4
KDAF–Dallas	CW	6.4	4.3	4.3	12.4	9.1	9.2
WDCW–Washington	CW	4.4	4.2	3.2	10.1	9.5	8.2
KHCW–Houston	CW	5.1	4.8	4.5	10.3	9.8	9.9
KCPQ–Seattle	FOX	5.8	6.7	5.7	11.8	13.7	12.3
KMYQ–Seattle	MNTV	2.5	2.5	2.0	5.0	5.0	4.3
WSFL–Miami	CW	5.2	5.2[3]	3.9	13.9	13.9[3]	11.0
KWGN–Denver	CW	4.3	3.9	3.2	9.8	9.4	7.8
KTXL–Sacramento	FOX	5.8	5.7	5.2	13.2	13.3	10.3
KPLR–St. Louis	CW	5.8	5.0	5.5	10.8	9.5	10.4
KRCW–Portland	CW	4.0	3.7	3.3	8.2	7.9	7.2
WTTV–Indianapolis	CW	3.8	3.7	2.7	7.7	7.8	5.9
WXIN–Indianapolis	FOX	5.7	6.5	5.8	11.7	13.7	12.8
KSWB–San Diego	CW	3.8	3.1	2.6	9.2	7.7	6.8
WTIC–Hartford	FOX	5.8	6.3	5.4	13.1	14.5	12.6
WTXX–Hartford	CW	2.4	2.1	2.1	5.5	4.7	4.9
WXMI–Grand Rapids	FOX	6.6	7.1	6.4	12.6	13.6	12.2
WPMT–Harrisburg	FOX	5.8	6.1	5.5	12.7	13.9	11.8
WGNO–New Orleans	ABC	4.6	4.6[3]	–[4]	9.5	9.8[3]	–[4]
WNOL–New Orleans	CW	4.9	3.8[3]	–[4]	10.0	8.2[3]	–[4]
23 station unweighted average[5]		5.0	4.7	4.2	10.6	10.4	9.5

[1] Represents the estimated number of television households tuned to a specific station as a percent of total viewing households in a defined area. The percentages shown reflect the average Nielsen ratings shares for the February, May, July and November measurement periods for 7 a.m. to 1 a.m. daily

[2] Excludes cable, satellite, public broadcasting, foreign language and minor independent channels

[3] Nielsen did not release November 2005 data for WSFL-TV, WGNO-TV and WNOL-TV as a result of hurricanes in these areas. The 2005 shares for these markets reflect the average of ratings for the February, May and July measurement periods only

[4] Nielsen did not release 2006 ratings data for WGNO-TV and WNOL-TV as a result of Hurricane Katrina

[5] 2006 unweighted station average is for 21 stations rather than 23, since New Orleans was not measured in 2006

Average audience shares are shown on two bases: total market, which includes all channels, and in-market stations, which includes only the major over-the-air stations. Average in-market shares are a more relevant benchmark to determine the stations' performance in their respective markets as they compare the stations' performance to their primary programming and sales competition. In 2006, the average total market share and the average in-market share for the 23-station group declined versus 2005. Ratings for stations in the larger markets continued to be affected by the introduction of Nielsen's Local People Meters ("LPMs"). LPMs have tended to reduce the overall share of broadcast television as compared to cable television and, within the broadcast television universe, disadvantage stations like Tribune's that target younger audiences. The stations were also affected by some audience erosion due to a lack of major new syndicated programming and by lower WB Network prime-time ratings. The WB ceased operations in September 2006. Fourteen of Tribune's WB stations became affiliates of The CW network, a joint venture between CBS Corporation and Warner Bros. Entertainment. Two Tribune WB stations became affiliates of MyNetworkTV, a new television network owned by FOX Television Stations Network Inc. and Twentieth Century Television.

VII. Radio/Entertainment

In 2006, radio/entertainment operations contributed 17% of the broadcasting and entertainment segment's operating revenues. WGN-AM, Chicago, is the only radio station owned by the Company

Selected information for WGN-AM, Chicago, is shown in the following table:

Radio station overview

	Format	Frequency	National market rank[1]	Number of operating stations in market[2]	Audience share[3]
WGN—AM, Chicago	Personality/ Infotainment/Sports	720—AM	3	39	5.5%

[1] Source: Radio markets ranked by Arbitron Metro Survey Area, Arbitron Company 2006

[2] Source: Arbitron Company 2006

[3] Source: Average of Winter 2005 and Spring, Summer and Fall 2006 Arbitron shares for persons 12 years old and over, 6 a.m. to midnight daily during the period measured

Entertainment includes Tribune Entertainment Company ("Tribune Entertainment") and the Chicago Cubs baseball team. The Chicago Cubs were acquired in 1981. Cubs games are broadcast on WGN-TV and WGN-AM. Tribune Entertainment is a distributor of programming in the United States syndicated television, cable television and ancillary markets. Tribune Entertainment distributes its own programming together with programming licensed from third parties.

Tribune Entertainment is party to a variety of distribution, marketing, and advertiser sales relationships with major suppliers such as DreamWorks SKG for the exclusive domestic syndication and ad sales of their film library, FremantleMedia, Hearst Entertainment, Rigel Entertainment, Telco Productions, Debmar-Mercury Entertainment, DIC Entertainment, Carlton America, and New Line Television. These relationships comprise over 400 television and theatrical motion pictures and more than 1,300 episodes of various television series and specials including "South Park," "Family Feud," "Soul Train," "The Soul Train Music Awards," and "Ron Hazelton's House Calls." Tribune Entertainment also distributes its television series productions of "Andromeda," "Earth Final Conflict," "Beastmaster," "Mutant X," and "Nightman."

In the fall of 2006, the first of the DreamWorks SKG titles became available. In addition, Tribune Entertainment launched "American Idol Rewind," in domestic syndication. The weekly

one-hour series, includes original, never-before-seen episodes of the highly successful "American Idol" franchise.

Tribune owns a 10.5-acre studio production lot in Hollywood. Tribune Studios, a subsidiary of Tribune Entertainment, maintains the site that includes the studio and office space for KTLA and nine state-of-the art digital sound stages and associated production office space that are rented to third parties.

Equity investments

The Company has investments in several public and private companies. See Note 8 to the consolidated financial statements in Item 8 provided in the Annual Report Form 10-K for the year ended December 31, 2006, for further discussion of the Company's cost and equity method investments.

The Company's principal equity method investments include CareerBuilder, Classified Ventures, TV Food Network, Comcast SportsNet Chicago, ShopLocal, Topix, TMCT and TMCT II. CareerBuilder, an online recruitment company formed in 2000, is owned 42.5% by the Company, 42.5% by Gannett Co., Inc. and 15% by The McClatchy Co., Inc. Classified Ventures is a network of automotive and real estate classified advertising websites. TV Food Network is a 24-hour cable/satellite television network focusing on food and entertaining. Comcast SportsNet Chicago is a 24-hour cable/satellite television network, which began programming in the fall of 2004, focusing on Chicago sports teams. ShopLocal transforms traditionally print-based retail promotions into search-based interactive formats. The Company, Gannett Co., Inc. and McClatchy Co., each own a 42.5%, 42.5% and 15% interest in ShopLocal, respectively. Topix is an online news and information aggregation website that continuously monitors breaking news from over 10,000 online sources and categorizes daily news content into over 300,000 topics, 24 hours a day. The ownership of Topix is approximately 33.7% for both the Company and Gannett Co., Inc., 11.9% for the McClatchy Co. and 20.7% for management of Topix, LLC. On Sept. 21, 2006, the Company and the Chandler Trusts entered into agreements to restructure TMCT and TMCT II. As a result, the Company's interests in each of TMCT and TMCT II were reduced to approximately 5%. The Company's investments in TMCT and TMCT II are further discussed in Note 7 to the consolidated financial statements in Item 8 provided in the Annual Report Form 10-K for the year ended December 31, 2006.

Recent events

As the result of strategic review, Tribune recently implemented the following initiatives and transactions:

- On March 6, 2007, Tribune announced the sale of its Southern Connecticut Newspapers, *The Advocate* (Stamford) and *Greenwich Time* (collectively, "SCNI"), to Gannett Co., Inc., for $73 million. The sale did not include real estate in Stamford and Greenwich, which Tribune will sell separately after a transitional lease to Gannett. When this transaction closes, the Company will exceed its goal of selling $500 million in non-core assets as part of the performance improvement plan that the Company launched in May 2006.
- On February 12, 2007, Tribune announced that it had entered into an agreement to sell *Hoy*, New York, its Spanish-language daily newspaper, to ImpreMedia, LLC. The sale will not include the Hoy publications in Los Angeles and Chicago. Terms were not disclosed.
- On September 21, 2006, Tribune announced that its board of directors had established an independent special committee to oversee management's exploration of alternatives for creating additional value for shareholders. Additionally, the Company and the Chandler Trusts entered into agreements to restructure TMCT and TMCT II, two unconsolidated investments of the Company, which were formed in 1997 and 1999, respectively, as a result

of transactions between Times Mirror and its largest shareholders, Chandler Trust No. 1 and Chandler Trust No. 2. Under the terms of the agreements, the Company received on September 22, 2006 a total of 38.9 million shares of the Company's common stock and all 1.1 million shares of the Company's preferred stock held collectively by TMCT and TMCT II. As a result of the transactions, the Company's interests in each of TMCT and TMCT II were reduced to approximately 5%.

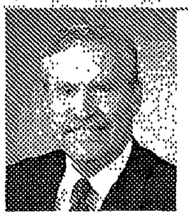
- On September 14, 2006, the Company announced the sale of WLVI-TV, Boston, to Sunbeam Television Corp. for $113.7 million. The sale closed on December 19, 2006.
- In the third quarter of 2006, Tribune sold 2.8 million shares of Time Warner common stock for net proceeds of approximately $46 million.
- On June 19, 2006, the Company announced the sale of WCWN-TV, Albany to Freedom Communications, Inc. for $17 million. The sale closed on December 6, 2006.
- On June 5, 2006, the Company announced the sale of WATL-TV, Atlanta to Gannett Co., Inc. for $180 million. The sale closed on August 7, 2006.
- On May 30, 2006, the Company initiated a modified "Dutch Auction" tender offer to repurchase up to 53 million shares of its common stock at a price per share not greater than $32.50 and not less than $28.00. The tender offer closed on June 26, 2006, and the Company acquired 45 million shares of its common stock on July 5, 2006 at a price of $32.50 per share before transaction costs. The Company also acquired 10 million shares of its common stock from the Robert R. McCormick Tribune Foundation and the Cantigny Foundation on July 12, 2006 at a price of $32.50 per share before transaction costs. The Robert R. McCormick Tribune Foundation and the Cantigny Foundation are affiliated non-profit organizations, which together held 13.6% of the Company's outstanding shares when the tender offer was launched. In connection with the tender offer, the board of directors also authorized the repurchase of an additional 12 million shares of the Company's common stock commencing on the eleventh business day following the completion of the tender offer. In the third quarter of 2006, the Company repurchased an additional 11.1 million shares under that authorization at a weighted average cost of $29.94 per share. In addition, the Company repurchased and retired 4.6 million shares of its common stock in the first quarter of 2006.

8. Management and Board overview

Tribune management team

Tribune is led by a highly experienced senior management team, with an average of 20 years experience working at the Company. After Step 2 of the transaction, the Board of Directors will consist of 8 individuals (one additional Board seat will be undesignated initially). Mr. Zell will be the Chairman. Zell Entity will have the right to place a second representative on the new Board. The other members will be the Company's CEO and 5 independent members. The Board members will initially serve for a term of three years. After that time, terms will be staggered with three members' terms expiring each successive year.

Senior management

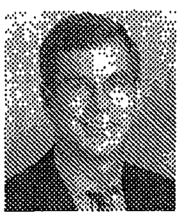


Dennis J. FitzSimons (56)

Chairman (since January 2004), Chief Executive Officer (since January 2003) and President (since July 2001); Chief Operating Officer from July 2001 until December 2002; Executive Vice President from January 2000 until July 2001; President of Tribune Broadcasting Company* from May 1997 until January 2003.

Donald C. Grenesko (58)

Senior Vice President/Finance and Administration.



Scott C. Smith (56)

President of Tribune Publishing Company* since January 2005 and Publisher of Chicago Tribune Company* since October 2006; Chief Operating Officer of Tribune Publishing Company* from November 2004 until January 2005; President of Chicago Tribune Company* until November 2004.

John E. Reardon (53)

President of Tribune Broadcasting Company* since November 2005; Vice President of Tribune Broadcasting Company* from March 2004 until November 2005; Vice President and General Manager of KTLA-TV, Los Angeles* until March 2004.

Timothy J. Landon (44)

President of Tribune Interactive, Inc.* since March 2004; President of Tribune Classified* from June 2000 until March 2004.

Crane H. Kenney (44)

Senior Vice President, General Counsel and Secretary.

Thomas D. Leach (46)

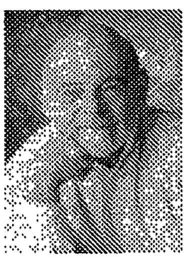
Senior Vice President/Development since February 2005; Vice President/Development from February 2004 until February 2005; Vice President and Chief Financial Officer of Tribune Broadcasting Company* from March 2001 until January 2004; Vice President/Development until February 2001.

Chandler Bigelow (38)

Vice President and Treasurer since December 2003; Assistant Treasurer from February 2001 until December 2003.

* A subsidiary or a division of the Company

Sam Zell biography



A native Chicagoan, Samuel Zell is a graduate of the University of Michigan and the University of Michigan Law School. Mr. Zell began his career in real estate while an undergraduate at the University by managing apartment buildings throughout southeast Michigan. He continued his interests in real estate, and subsequently, non-real estate investments, with the founding of Equity Group Investments, L.L.C. (formerly known as Equity Financial and Management Company), an entrepreneurial investment firm based in Chicago where he currently serves as President and Chairman.

Mr. Zell maintains substantial interests in and serves as Chairman of the Board of various publicly traded companies which include Anixter International (AXE), a value-added provider of integrated networking and cabling solutions that support business information and network infrastructure requirements; Equity Lifestyle Properties, Inc. (ELS), an equity real estate investment trust which owns and operates manufactured home communities in 26 states; Equity Residential (EQR), the largest apartment real estate investment trust in the United States; Capital Trust (CT), a specialized real estate finance company; and Covanta Holding Corp. (CVA), a multinational owner and operator of modern waste to energy facilities.

Mr. Zell also served as Chairman of the Board of Equity Office Properties Trust (EOP), a real estate investment trust which held the largest office portfolio of any publicly traded, full-service office company in the United States. EOP was sold to Blackstone in February 2007. Mr. Zell is also Chairman of Equity International, a privately-held, leading investor in real estate-related businesses outside of the United States. Mr. Zell served a two-year term as Chairman of the National Association of Real Estate Investment Trusts (NAREIT) from 1998-2000. He serves on the JPMorgan National Advisory Board, the Eurohypo International Advisory Board, the President's Advisory Board at the University of Michigan, the Visitor's Committee at the University of Michigan Law School, and with the combined efforts of the University of Michigan Business School, established the Zell/Lurie Entrepreneurial Center. Mr. Zell's continual assistance to Michigan's MBA program has also enhanced the Business School's Polish Studies Program. He was appointed a DeRoy Visiting Professor in Honors at the College of Literature, Science and the Arts at the University of Michigan. He is a long standing supporter of the University of Pennsylvania Wharton Real Estate Center and has endowed the Samuel Zell/Robert Lurie Real Estate Center at Wharton. Mr. Zell has also endowed the Northwestern University Center for Risk Management.

9. Public financial information

In addition to the public financials below, for public financial information and management discussion and analysis, please refer to Tribune Company's public filings posted separately to IntraLinks and filed with the SEC, including:

- Tender Offer Statement filed on April 25, 2007
- Form 8-K filed on April 19, 2007
- Form 10-K filed on February 26, 2007

Summary historical financial results

Consolidated historical financial performance ($ millions)[1]	2003	2004[2]	2005[3]	2006 (52wk)[4]
Revenues				
Publishing	$4,037	$4,130	$4,097	$4,025
Broadcasting & Entertainment	1,457	1,502	1,414	1,408
Total Revenues	$5,494	$5,631	$5,511	$5,433
Operating Cash Flow				
Publishing	$1,062	$1,036	$986	$947
Broadcasting & Entertainment	538	563	466	443
Corporate	(51)	(51)	(50)	(50)
Total Operating Cash Flow[1]	$1,548	$1,548	$1,401	$1,339
Cash Received from Equity Investments	17	14	49	65
Adjusted EBITDA[5]	$1,565	$1,562	$1,450	$1,404
Capital Expenditures	194	217	206	222
Pre-Tax Unlevered Free Cash Flow	$1,371	$1,345	$1,244	$1,182
Publishing OCF Margin	26.3%	25.1%	24.1%	23.5%
Broadcasting OCF Margin	36.9%	37.5%	32.9%	31.5%

Source: Company data. Includes results of SCNI, Hoy New York and Cubs/Comcast SportsNet Chicago

[1] Reflects Tribune's Reported Revenues and Operating Cash Flows adjusted for one-time, non-recurring items described below and pro forma to exclude divested TV stations (Albany, Atlanta and Boston) and Denver Radio and excludes stock-based compensation

[2] 2004 adjusted to exclude approximately $41mm of severance expense and approximately $90mm settlement with advertisers in connection with misstated circulation numbers at *Newsday*

[3] 2005 adjusted to exclude approximately $45mm of severance expense, approximately $18mm pension curtailment gain, approximately $6mm of operating costs (excl. D&A) and approximately $16mm of accelerated D&A from the closing of the San Fernando Valley printing facility

[4] 2006 adjusted to exclude approximately $20mm of severance and other payments associated with new union contracts at *Newsday*, $9mm of additional severance expense, a $4mm charge for the disposition of a press, $7mm of gains from property sales and a $7mm gain from the sale of the corporate airplane

[5] Operating cash flow before stock-based compensation plus cash received from equity investments

Q1 Results[1] ($ in millions)	Q1 2006	Q1 2007	% Change
Operating revenues			
Publishing			
Advertising	$778	$731	(6)%
Circulation	144	135	(7)%
Other	63	66	5%
Total publishing	$985	$931	(5)%
Broadcasting & entertainment	284	283	--
Total revenues	1,269	1,215	(4)%
Operating cash expenses[1]			
Publishing	$756[2]	$747[3]	(1)%
Broadcasting & entertainment	205	209	2%
Corporate	20	19	(4)%
Total operating cash expenses	$981	$975	(1)%
Operating cash flow			
Publishing	$229	$185	(19)%
Broadcasting & entertainment	80	74	(7)%
Corporate	(20)	(19)	(4)%
Total operating cash flow	$289	$240	(17)%
Equity investments	$7	$13	59%
Interest expense	(49)	(83)	71%
Diluted EPS	$0.38	$0.28	(26)%

1 Includes stock-based compensation

2 Excludes charge of $19 million for severance and other payments associated with the new union contracts at Newsday and $2 million gain on sales of properties

3 Excludes charge of $1 million for severance

Management discussion and analysis

Publishing revenue

- Q1 2007 publishing revenue declined 5% compared to Q1 2006, in line with industry expectations
- Retail advertising revenue declined 1% mainly due to negative performance in department stores, offset by preprint revenue increase of 2%
- Lower domestic automotive advertising budgets putting pressure on national and retail print advertising revenue. However, rate of decline has slowed down significantly and domestic automotive is becoming less important to the overall advertising mix
- Classified advertising declined 14%, primarily due to extremely robust South Florida real estate market in Q1 2006, making Q1 2007 comparison very difficult
- Interactive revenues were up 17% to $60 million, mainly due to strength in the classified auto and real estate categories
- Newspaper circulation revenue continues to decline due to lower single copy circulation and discounted home delivery

Broadcasting & Entertainment revenue

- Station revenues in New York, Los Angeles and Chicago all showed improvements for the quarter
- Declines in the auto, retail and movie categories were partially offset by gains in the telecom, entertainment/recreation and packaged goods categories

Operating cash expenses

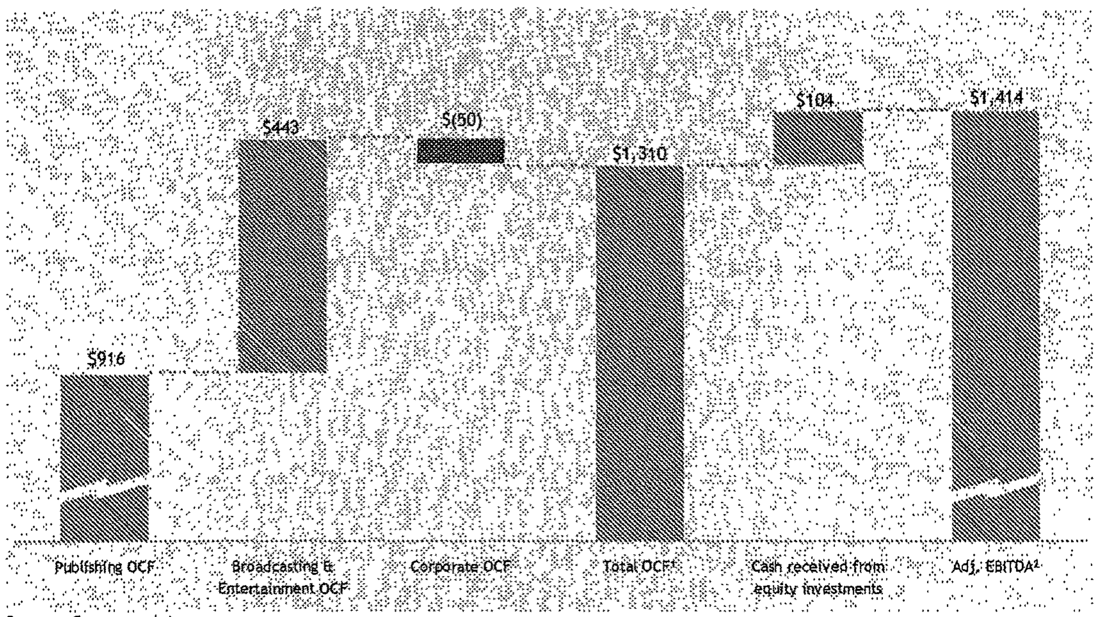
- Although increased significantly in 2005 and 2006, newsprint pricing is expected to fall in the second half of 2007. Lower industry demand for newsprint will continue to put pressure on pricing going forward, benefiting the Company's cost management initiatives
- Publishing cash expenses were down $9 million as decreases in newsprint, compensation and promotion expenses were partially offset by increases in mailed preprint advertising postage and outside services expense
- Broadcasting cash operating expenses were up 2%, or $4 million, primarily due to higher compensation expense, partially offset by a decrease in broadcast rights expenses

Equity investments

- Net equity income in Q1 2007 was $6 million higher, reflecting improvements at TV Food Network and CareerBuilder

Pro forma Adjusted EBITDA

3/31/07 LTM Adjusted EBITDA build-up ($ millions)



Source: Company data

Note: Adjusted to exclude approximately $9mm of additional severance expense, a $4mm charge for the disposition of a press, $7mm of gains from property sales and a $7mm gain from the sale of the corporate airplane; LTM reflects 2006 53 week results

[1] Reflects Tribune's Reported Revenues and Operating Cash Flows adjusted for one-time, non-recurring items described above and pro forma to exclude divested TV stations (Albany, Atlanta and Boston); excludes stock-based compensation

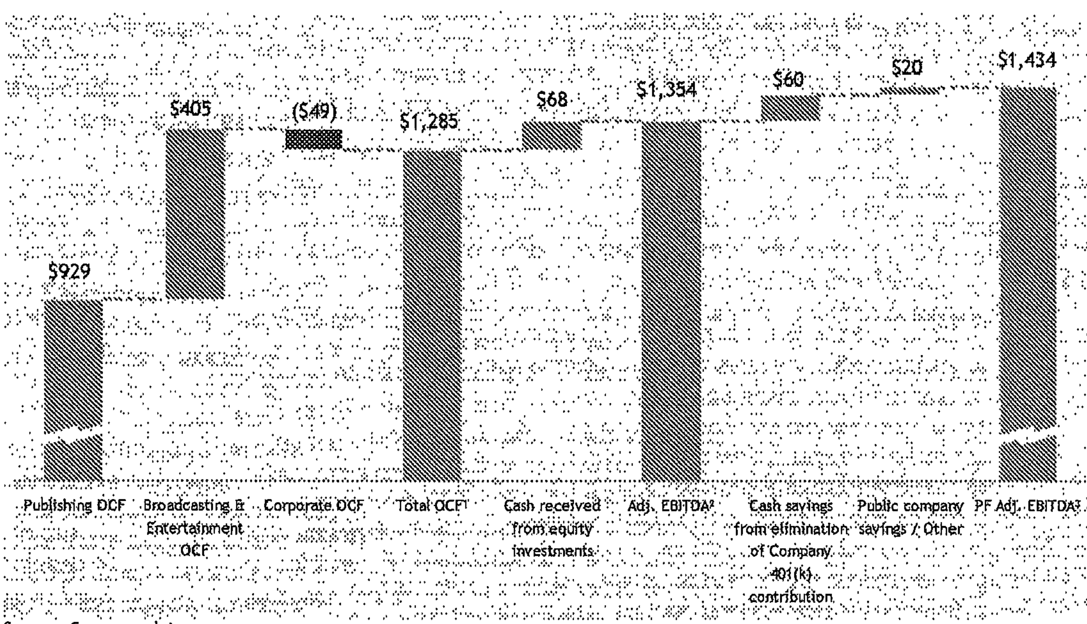
[2] Operating cash flow before stock-based compensation plus cash received from equity investments

The Company has significant equity investments that contribute to cash flow. These investments currently are recorded as income from investments on the Income Statement. The Company's equity investments as of December 31, 2006 included the following private companies:

Equity Investments

Company	% owned
CareerBuilder, LLC	43%
Classified Ventures, LLC	28
Comcast SportsNet Chicago	25
Consumer Networks	17
ShopLocal, LLC	43
Legacy.com	40
TMCT, LLC	5
TMCT II, LLC	5
Topix, LLC	34
TV Food Network	31

12/31/07 LTM Adjusted EBITDA build-up ($ millions)



Source: Company data

[1] Pro forma for the sale of SCNI and Cubs/Comcast

[2] Operating cash flow before stock-based compensation plus cash received from equity investments

[3] Includes cash savings from elimination of Company 401(k) cash contributions and reduction in public company and other costs

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Pro forma condensed financials

The following unaudited pro forma condensed consolidated financial statements are derived from historical consolidated financial statements and give effect to the Step 1 repurchase of shares of Company common stock pursuant to the tender offer and the related refinancings, as if such repurchase and refinancings had occurred at the beginning of fiscal year 2006 for purposes of the pro forma condensed consolidated statement of income and as if such repurchase and refinancings had occurred at the end of fiscal year 2006 for purposes of the pro forma condensed consolidated balance sheet.

Pro forma condensed consolidated statement of income

(in thousands, except per share data)	Year ended December 31, 2006 Historical	Pro forma Adjustments	Pro forma
Operating Revenues	$5,517,708	$—	$5,517,708
Operating Expenses:			
Cost of sales (exclusive of items shown below)	2,736,411	—	2,736,411
Selling, general and administrative	1,469,274	—	1,469,274
Depreciation	207,200	—	207,200
Amortization of intangible assets	19,813	—	19,813
Total operating expenses	4,432,698	—	4,432,698
Operating Profit:	1,085,010	—	1,085,010
Net income on equity investments	80,773	—	80,773
Interest and dividend income	14,145	—	14,145
Interest expense	(273,902)	(481,885)[1]	(755,787)
Gain on change in fair values of derivatives and related investments	11,088	—	11,088
Gain on TMCT transactions	59,596	—	59,596
Gain on sales of investments, net	36,732	—	36,732
Other non-operating gain, net	(4,447)	—	(4,447)
Income From Continuing Operations Before Income Taxes	1,008,995	(481,885)	527,110
Income taxes	(348,142)	180,707[2]	(167,435)
Income from Continuing Operations	$660,853	(301,178)	$359,675
Earnings Per Share from Continuing Operations:			
Basic	$2.40		$2.39
Diluted	$2.39		$2.31
Weighted-average Common Shares Outstanding:			
Basic	272,672	(124,529)[3]	148,143
Diluted	274,411	(118,647)[3]	155,764
Book value per common share	$18.06		$0.58
Ratio of earnings to fixed charges	4.3		1.7

[1] The pro forma interest expense adjustment assumes the issuance of approximately $7 billion of new variable rate debt to, among other things, finance the Tender Offer, and to refinance the Company's existing term facility, bridge credit facility, and outstanding commercial paper. A rate of 7.86%, based on LIBOR (at April 19, 2007) plus a spread of 2.5%, has been used to compute pro forma interest expense on the new borrowings. The pro forma interest expense adjustment is net of the historical interest expense on the Company's term facility, bridge credit facility and commercial paper that were assumed to be refinanced and includes the amortization of estimated debt issuance costs of $130 million using an average life of seven years. A one-eighth percentage point change in the assumed interest rate on the new borrowings would increase or decrease pro forma interest expense by approximately $9 million.

In addition, the pro forma interest expense adjustment also includes interest on the $200 million subordinated exchangeable promissory note assumed to be issued in connection with the Zell Entity Purchase Agreement. A rate of 4.81%, based on the rate specified in the Zell Entity Purchase Agreement, has been used to compute interest expense on the promissory note.

The following table summarizes the pro forma interest expense adjustment:

Pro forma interest expence adjustment ($ millions)

New variable rate debt	$556
$200 million promissory note	10
Amortization of debt issuance costs	19
Less: term facility	(54)

Less: bridge credit facility	(44)
Less: commercial paper	(5)
Interest expense adjustment	$482

[2] Reflects the income tax effect of the pro forma interest expense adjustment utilizing the applicable statutory tax rate for the year ended December 31, 2006.

[3] The pro forma adjustment to basic weighted-average common shares outstanding reflects the repurchase of 126 million shares of Company common stock and the issuance of 1,470,588 shares of Company common stock as of the beginning of fiscal year 2006 in connection with the Zell Entity Purchase Agreement. The pro forma adjustment to diluted weighted-average common shares outstanding also reflects the assumed conversion of the $200 million subordinated exchangeable promissory note into 5,882,353 shares of Company common stock as of the beginning of fiscal year 2006.

Pro forma condensed consolidated balance sheet

(in thousands, except per share data)	As of December 31, 2006 Historical	Pro forma Adjustment	Pro forma
Assets:			
Cash and cash equivalents	$174,686	$–	$174,686
Accounts receivable, net	765,871	–	765,871
Inventories	40,962	–	40,962
Broadcast rights	271,995	–	271,995
Deferred income taxes	74,450	–	74,450
Prepaid expenses and other	49,466		49,466
Total current assets	1,377,430	–	1,377,430
Properties:			
Property, plant and equipment	3,592,477	–	3,592,477
Accumulated depreciation	(1,907,365)	–	(1,907,365)
Net properties	1,685,112	–	1,685,112
Other Assets:			
Broadcast rights	295,186	–	295,186
Goodwill	5,837,208	–	5,837,208
Other intangible assets, net	2,846,057	–	2,846,057
Time Warner stock related to PHONES debt	348,480	–	348,480
Other investments	564,750	–	564,750
Prepaid pension costs	293,455	–	293,455
Assets held for sale	9,172	–	9,172
Other	143,922	108,857[1]	252,779
Total other assets	10,338,230	108,857	10,447,087
Total assets	$13,400,772	$108,857	$13,509,629
Liabilities and Shareholders' Equity			
Current Liabilities:			
Borrowings under bridge credit facility	$1,310,000	$(1,310,000)[2]	$–
Other debt due within one year	119,007	(97,019)[2]	21,988
Contracts payable for broadcast rights	317,945	–	317,945
Deferred income	108,607	–	108,607
Accounts payable, accrued expenses and other current Liabilities	691,155	(7,929)[1]	683,226
Total current liabilities	2,546,714	(1,414,948)	1,131,766
Long-Term Debt:			
PHONES debt related to Time Warner stock	572,960	–	572,960
Other long-term debt (less portions due within one year)	3,003,251	5,776,539[2]	8,779,790
Total long-term debt	3,576,211	5,776,539	9,352,750
Other Non-Current Liabilities:			
Deferred income taxes	1,974,672	–	1,974,672
Contracts payable for broadcast rights	425,927	–	425,927
Compensation and other obligations	557,632	–	557,632
Total other non-current liabilities	2,958,231	–	2,958,231
Shareholders' Equity:			
Common stock and additional paid-in capital	6,837,029	2,786[3] (2,225,160)[4]	4,614,655
Retained earnings	3,138,313	(13,214)[1] (36,654)[3] (2,064,360)[4]	1,024,084
Treasury common stock (at cost)	(5,288,341)	333,868[3]	(4,954,473)
Unearned ESOP shares	–	(250,000)[3]	(250,000)
Accumulated other comprehensive income (loss)	(367,385)	–	(367,385)
Total shareholders' equity	4,319,616	(4,252,734)	66,882
Total liabilities and shareholders' equity	13,400,772	108,857	$13,509,629

[1] Reflects $130 million of debt issuance costs in connection with the new borrowings and the write-off of $21 million of debt issuance costs ($13 million after-tax) as a result of the extinguishment of the term facility and bridge credit facility.

[2] To record the issuance of the new borrowings and the refinancing of the term facility, bridge credit facility and $97 million of the Company's outstanding commercial paper.

[3] To record the issuance of shares of Company common stock to the ESOP and Zell Entity in connection with the Purchase Agreements. The shares were assumed to have been issued from our existing treasury common stock at the average value of $34.07 per share.

[4] To record the repurchase and subsequent retirement of 126,000,000 shares of Company common stock at $34.00 per share in connection with the Tender Offer, including $5.5 million of related transaction costs.

Reported historical financials

Consolidated statements of income

(in thousands of dollars, except per share data)	Year ended December 31, 2004	December 31, 2005	December 31, 2006
Operating revenues			
Publishing			
Advertising	$3,228,493	$3,244,100	$3,260,060
Circulation	643,947	596,163	575,043
Other	257,410	256,587	257,459
Total	$4,129,850	$4,096,850	$4,092,562
Broadcasting and entertainment	1,501,581	1,414,433	1,425,146
Total operating revenues	$5,631,431	$5,511,283	$5,517,708
Operating expenses			
Cost of sales (exclusive of items shown below)	$2,668,969	$2,695,818	$2,736,411
Selling, general and administrative	1,545,067	1,447,233	1,469,274
Depreciation	211,561	222,153	207,200
Amortization of intangible assets	18,556	18,888	19,813
Total operating expenses	$4,444,153	$4,384,092	$4,432,698
Operating profit	$1,187,278	$1,127,191	$1,085,010
Net income on equity investments	17,931	41,209	80,773
Interest and dividend income	3,053	7,539	14,145
Interest expense	(153,118)	(155,191)	(273,902)
Gain (loss) on change in fair values of derivatives and related investments	(18,497)	62,184	11,088
Loss on early debt retirement	(140,506)	–	–
Gain on TMCT transactions	–	–	59,596
Gain on sales of investments, net	20,347	6,780	36,732
Other non-operating gain (loss), net	(6,388)	897	(4,447)
Income from continuing operations before income taxes and cumulative effect of change in accounting principle	$910,100	$1,090,609	$1,008,995
Income taxes (Note 13 in the Annual Report Form 10-K for the year ended Dec 31, 2006)	(355,724)	(567,820)	(348,142)
Income from continuing operations before cumulative effect of change in accounting principle	$554,376	$522,789	$660,853
Income (loss) from discontinued operations, net of tax (Note 3 in the Annual Report Form 10-K for the year ended Dec 31, 2006)	18,948	11,900	(66,858)
Income before cumulative effect of change in accounting principle	$573,324	$534,689	$593,995
Cumulative effect of change in accounting principle, net of tax (Note 1 in the Annual Report Form 10-K for the year ended Dec 31, 2006)	(17,788)	–	–
Net income	$555,536	$534,689	$593,995
Preferred dividends	(8,308)	(8,364)	(6,309)
Net income attributable to common shares	$547,228	$526,325	$587,686
Earnings per share (Note 1 in the Annual Report Form 10-K for the year ended Dec 31, 2006)			
Basic:			
Continuing operations before cumulative effect of change in accounting principle	$1.69	$1.64	$2.40
Discontinued operations	0.06	0.04	(0.25)
Cumulative effect of change in accounting principle, net of tax	(0.05)	–	–
Net income	$1.70	$1.68	$2.16
Diluted:			
Continuing operations before cumulative effect of change in accounting principle	$1.67	$1.63	$2.39
Discontinued operations	0.06	0.04	(0.24)
Cumulative effect of change in accounting principle, net of tax	(0.05)	–	–
Net income	$1.67	$1.67	$2.14

Source: Tribune Co., 10—K, December 31, 2006

Consolidated balance sheets

(In thousands of dollars, except share data)	December 25, 2005	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	$151,110	$174,686
Accounts receivable (net of allowances of $33,771 and $42,558)	798,441	765,871
Inventories	44,103	40,962
Broadcast rights	308,011	271,995
Deferred income taxes	114,274	74,450
Prepaid expenses and other	52,458	49,466
Total current assets	$1,468,397	$1,377,430
Properties		
Machinery, equipment and furniture	$2,314,085	$2,306,400
Buildings and leasehold improvements	992,083	1,014,865
	$3,306,168	$3,321,265
Accumulated depreciation	(1,853,914)	(1,907,365)
	$1,452,254	$1,413,900
Land	127,167	127,797
Construction in progress	152,506	143,415
Net properties	$1,731,927	$1,685,112
Other assets		
Broadcast rights	$361,376	$295,186
Goodwill	5,947,142	5,837,208
Other intangible assets, net	3,087,723	2,846,057
Time Warner stock related to PHONES debt	282,880	348,480
Other investments	632,663	564,750
Prepaid pension costs (Note 14 in the Annual Report Form 10-K for the year ended Dec 31, 2006)	871,382	293,455
Assets held for sale	24,436	9,172
Other	138,316	143,922
Total other assets	$11,345,918	$10,338,230
Total assets	$14,546,242	$13,400,772
Liabilities and shareholders' equity		
Current liabilities		
Borrowings under bridge credit facility	–	$1,310,000
Other debt due within one-year	$302,460	119,007
Accounts payable	168,205	151,601
Employee compensation and benefits	244,156	185,551
Contracts payable for broadcast rights	329,930	317,945
Deferred income	101,065	108,607
Other	300,842	354,003
Total current liabilities	$1,446,658	$2,546,714
Long-term debt		
PHONES debt related to Time Warner stock	$509,701	$572,960
Other long-term debt (less portions due within one-year)	2,449,561	3,003,251
Total long-term debt	$2,959,262	$3,576,211
Other non-current liabilities		
Deferred income taxes	$2,352,633	$1,974,672
Contracts payable for broadcast rights	528,878	425,927
Deferred compensation and benefits	356,612	392,187
Other obligations	176,648	165,445
Total other non-current liabilities	$3,414,771	$2,958,231
Commitments and contingent liabilities (Note 12 in the Annual Report Form 10-K for the year ended Dec 31, 2006)		
Shareholders' equity		
Series C convertible preferred stock		
Authorized: no shares at December 31, 2006 and 823,568 shares at December 25, 2005; Issued and outstanding: no shares at December 31, 2006 and 88,519 shares (net of 354,077 treasury shares) at December 25, 2005 (liquidation value $500 per share)	$44,260	–
Series D-1 convertible preferred stock		
Authorized: 137,643 shares at December 31, 2006 and 380,972 shares at December 25, 2005; Issued and outstanding: no shares (net of 137,643 treasury shares) at December 31, 2006 and 76,194 shares (net of 304,778 treasury shares) at December 25, 2005 (liquidation value $500 per share)	38,097	–
Series D-2 convertible preferred stock		
Authorized: no shares at December 31, 2006 and 245,100 shares at December 25, 2005; Issued and outstanding: no shares at December 31, 2006 and 49,020 shares (net of 196,080 treasury shares) at December 25, 2005 (liquidation value $500 per share)	24,510	–
Common stock ($0.01 per value)		
Authorized: 1,400,000,000 shares; 387,179,076 shares issued at December 31, 2006 and 390,122,184 shares issued at December 25, 2005	2,270	$2,241
Additional paid-in capital	6,818,533	6,834,788
Retained earnings	2,824,762	3,138,313
Treasury common stock (at cost) 147,971,659 shares in 2006 and 83,441,765 shares in 2005	(3,015,581)	(5,288,341)
Accumulated other comprehensive income (loss)	(11,300)	(367,385)
Total shareholders' equity	$6,725,551	$4,319,616
Total liabilities and shareholders' equity	$14,546,242	$13,400,772

Source: Tribune Co., 10–K, December 31, 2006

Consolidated statements of cash flows

	Year ended		
(in thousands of dollars)	December 26, 2004	December 25, 2005	December 31, 2006
Operations			
Net income	$555,536	$534,689	$593,995
Adjustments to reconcile net income to net cash provided by operations:			
Stock-based compensation	–	–	31,927
Pension costs in excess of contributions	7,677	13,355	20,611
(Gain) loss on change in fair values of derivatives and related investments	18,497	(62,184)	(11,088)
Loss on early debt retirement	140,506	–	–
Gain on TMCT transactions	–	–	(59,596)
Gain on sales of investments, net	(20,347)	(6,780)	(36,732)
Loss on investment write-downs	5,599	–	–
Other non-operating (gain) loss, net	789	(897)	4,447
Cumulative effect of change in accounting principle, net of tax	17,788	–	–
Depreciation	214,226	224,625	209,341
Amortization of intangible assets	18,863	19,195	20,002
Loss on sales of discontinued operations	–	–	48,238
Net income on equity investments	(17,931)	(41,209)	(80,773)
Distributions from equity investments	14,439	48,883	65,302
Deferred income taxes	40,006	93,071	(112,600)
Tax benefit on stock options exercised	32,819	5,395	4,256
Changes in working capital items excluding effects from acquisitions and dispositions			
Accounts receivable	17,220	51,773	20,668
Inventories, prepaid expenses and other current assets	(800)	4,293	5,310
Accounts payable, employee compensation and benefits, deferred income and accrued liabilities	14,656	2,464	(25,798)
Income taxes	2,007	6,177	39,707
Change in broadcast rights, net of liabilities	6,558	(16,329)	2,056
Change in Matthew Bender and Mosby tax reserve	5,997	(221,133)	–
Other, net	(915)	3,965	48,491
Net cash provided by operations	$1,073,190	$659,353	$787,764
Investments			
Capital expenditures	$(217,348)	$(205,945)	$(221,907)
Acquisitions	(551)	(4,207)	(48,144)
Investments	(48,831)	(78,071)	(174,085)
Matthew Bender and Mosby tax liability allocated to goodwill (Note 13 in the Annual Report Form 10-K for the year ended Dec 31, 2006)	–	(459,116)	–
Proceeds from sales of subsidiaries, investments and real estate	40,232	22,534	470,608
Net cash provided by (used for) investments	$(226,498)	$(724,805)	$26,472
Financing			
Borrowings under bridge credit facility	–	–	$1,600,000
Repayments under bridge credit facility	–	–	(290,000)
Long-term borrowings	–	$777,660	1,500,829
Repayments of long-term debt	$(823,028)	(198,880)	(319,055)
(Repayments) issuances of commercial paper, net	773,206	150,326	(826,513)
Premium on early debt retirement	(137,331)	–	–
Debt issuance costs	–	(4,762)	(29,881)
Sales of common stock to employees, net	111,896	41,374	37,177
Purchases of Tribune common stock	(731,617)	(440,093)	(2,262,268)
Dividends	(163,010)	(233,474)	(200,949)
Net cash provided by (used for) financing	$(969,884)	$92,151	$(790,660)
Net increase (decrease) in cash and cash equivalents	$(123,192)	$26,699	$23,576
Cash and cash equivalents, beginning of year	247,603	124,411	151,110
Cash and cash equivalents, end of year	$124,411	$151,110	$174,686

Source: Tribune Co., 10–K, December 31, 2006

Management discussion and analysis

The Company's fiscal year ends on the last Sunday in December. Fiscal year 2006 ended on December 31, 2006 and encompassed 53 weeks, while fiscal years 2005 and 2004 each encompassed 52 weeks. For 2006, the additional week increased consolidated operating revenues and operating expenses by approximately 1.5% and consolidated operating profit by approximately 2%.

Consolidated operating revenues were essentially flat at $5.5 billion in 2006 as a decrease in publishing revenues was offset by an increase in broadcasting and entertainment revenues. Consolidated operating revenues decreased 2%, or $120 million, in 2005 due to declines in publishing and broadcasting and entertainment revenues.

Consolidated operating profit decreased 4%, or $42 million, in 2006. Publishing operating profit decreased 1%, or $11 million, in 2006. Publishing operating profit in 2006 included $15 million of stock-based compensation expense, a $20 million charge for severance and other payments associated with the new union contracts at Newsday, a $9 million severance charge for the elimination of approximately 400 positions, a $4 million charge for the disposition of a press at the San Fernando Valley printing facility, and a $7 million gain related to real property sales. Publishing operating profit in 2005 included a $22 million charge for the shutdown of the San Fernando Valley printing facility, a $43 million severance charge for the elimination of over 800 positions and a pension curtailment gain of $13 million. Broadcasting and entertainment operating profit decreased 6%, or $25 million, primarily due to higher programming and compensation expenses, partially offset by higher revenues.

Consolidated operating profit decreased 5%, or $60 million, in 2005. Publishing operating profit rose 5%, or $34 million, in 2005. Publishing operating profit in 2005 included a $22 million charge for the shutdown of the *Los Angeles Times* San Fernando Valley printing facility, a $43 million charge for the elimination of over 800 positions and a pension curtailment gain of $13 million. In 2004, publishing operating profit included a $90 million charge related to the anticipated settlement with advertisers regarding misstated circulation at Newsday and Hoy, New York and a $41 million charge for the elimination of approximately 600 positions. Broadcasting and entertainment operating profit decreased 19%, or $96 million, in 2005 primarily due to decreased television revenues and increased compensation and programming expenses, partially offset by a rise in Chicago Cubs revenues.

Cost of sales increased 2%, or $41 million, in 2006 primarily due to increases in programming, newsprint and ink, and circulation distribution expenses, partially offset by a decrease in compensation expense. Programming expenses increased 7%, or $22 million, primarily due to higher broadcast rights amortization. Newsprint and ink expense was up 3%, or $17 million. The Company's newspapers have transitioned to lighter weight newsprint that on a per ton basis, costs more, but yields more pages. On a same-weight basis, average newsprint cost per metric ton increased 10% and consumption declined 6% in 2006. Circulation distribution expense increased 5%, or $23 million, primarily due to higher mailed preprint advertising postage expenses resulting from higher postage rates and increased volume. Compensation expense decreased 2%, or $21 million, mainly due to the impact of position eliminations in 2006 and 2005.

Cost of sales increased 1%, or $27 million, in 2005 primarily due to higher newsprint and ink and outside services expense, partially offset by a decline in circulation distribution expense. Compensation expense was flat compared with 2004. Newsprint and ink expense was up 3%, or $14 million, in 2005, due to a 16% increase in newsprint costs per ton, partially offset by an 11% drop in consumption. Outside services expense increased 11%, or $18 million, in 2005 due largely to higher legal fees and outside printing costs. Programming expenses were flat

compared to 2004. Circulation distribution expense declined 1%, or $5 million, primarily due to lower payments to outside contractors as a result of circulation volume declines.

Selling, general and administrative expenses ("SG&A") expenses were up 2%, or $22 million, in 2006. Compensation expense increased 5%, or $34 million, in 2006. Compensation expense in 2006 included $32 million of stock-based compensation, a $20 million charge for severance and other payments associated with the new union contracts at Newsday and a $9 million severance charge for the elimination of approximately 400 positions at publishing. Compensation expense in 2005 included a $45 million severance charge for the elimination of approximately 900 positions and a pension curtailment gain of $18 million. Promotion expense decreased 4%, or $4 million, due to the Company's efforts to reduce costs in 2006. SG&A expense in 2006 also included a $7 million gain on real property sales in Publishing and a $7 million gain related to the sale of the corporate airplane.

SG&A expenses were down 6%, or $98 million, in 2005. Compensation expense decreased 1%, or $5 million, in 2005. Compensation expense in 2005 included a $45 million severance charge for the elimination of approximately 900 positions and a pension curtailment gain of $18 million, while 2004 compensation expense included a $41 million severance charge for the elimination of about 600 positions in publishing. Circulation expense decreased 6%, or $7 million, in 2005. Other SG&A expenses declined $81 million in 2005. Other SG&A expenses in 2004 included a charge of $90 million related to the settlement with advertisers regarding misstated circulation at *Newsday* and *Hoy*, New York.

The decrease in depreciation and amortization of intangible assets in 2006 and the increase in 2005 is primarily due to $16 million of accelerated depreciation in 2005 related to the shutdown of the *Los Angeles Times* San Fernando Valley printing facility.

Equity income totaled $81 million in 2006, an increase of $40 million from 2005. The increase primarily reflects improvements at TV Food Network, CareerBuilder and Classified Ventures and the absence of losses from the WB Network. In addition, equity income for 2006 includes the Company's $6 million share of a one-time favorable income tax adjustment.

The Company spent $222 million for capital expenditures during 2006 and $206 million in 2005. Major capital projects that were in process during 2006 included the expansion of preprint inserting operations and color press capacities and the implementation of new standard advertising, editorial and circulation systems. Capital spending for the expansion of preprint inserting capacity in Chicago and Orlando totaled $20 million in 2006. The new inserts in Orlando began production in 2006. As of Dec. 31, 2006, the installation of additional equipment and systems at Chicago was in progress. The Chicago expansion is scheduled to be completed by mid-2007 with additional capital spending of approximately $22 million in 2007.

Public projections

In connection with the due diligence review of the Company by the ESOP, the Zell Entity, and other interested parties, the Company provided to the ESOP and the Zell Entity and to other interested parties certain financial projections. These financial projections were also provided to the Tribune Board and the Special Committee and their respective financial and legal advisors. The Company is disclosing a subset of these projections to give public shareholders and investors access to certain information deemed material by the Board and Special Committee for purposes of considering and evaluating the leveraged ESOP transactions. A summary of these financial projections is set forth below.

The material assumptions made by Tribune management in developing the projections are as follows:

Publishing

- Revenue decline of 1% in 2007 due to a challenging advertising environment
- Print advertising revenue decline of 3% in 2007 which will be partially offset by Interactive revenue growth
- Modest improvement in 2008-2011 revenues as compared to 2007 due to annual Interactive revenue growth of 16% and improvements in classified
- Circulation revenue declines of 4% annually in years 2007-2011 from modest volume declines and continued selective discounting
- Expense decline of 1% in 2007 due to more favorable newsprint prices and other cost reductions
- Continued focus on cost reductions beyond 2007
- Growth in equity income from CareerBuilder and Classified Ventures
- Declining capital expenditures due to the completion of ongoing systems projects by early 2009

Broadcasting

- Advertising sales growth of nearly 2% annually in years 2006-2011
- Base television spot market growth of 1% annually
- Expected improvements in political spending
- An expected increase in revenue share to 14.3% in 2011 from a projected 13.3% in 2006
- Improved ratings for The CW network as compared to The WB network and continued ratings momentum of FOX network programming
- Increase in revenue share due to debuts of new syndicated programming in fall 2007
- Continued growth of WGN Superstation distribution (volume and rate) and renewal of carriage agreements
- Increase in annual operating expenses of approximately 1.6%
- Continued growth of the TV Food Network

Summary consolidated income statement ($ millions)

	2006[2]	2007	2008	2009	2010	2011	'06-'10 4Y CAGR	'07-'11 4Y CAGR	'06-'11 5Y CAGR
Operating Revenues									
Publishing	4,025	3,984	4,007	4,036	4,063	4,093	0.2 %	0.7 %	0.3 %
Broadcasting & Entertainment	1,408	1,401	1,480	1,487	1,531	1,537	2.1 %	2.3 %	1.8 %
Total Revenues	5,433	5,385	5,487	5,523	5,594	5,630	0.7 %	1.1 %	0.7 %
Operating Cash Expenses[1]									
Publishing	3,094	3,069	3,072	3,089	3,104	3,123	0.1 %	0.4 %	0.2 %
Broadcasting & Entertainment	970	985	1,012	1,003	1,030	1,048	1.5 %	1.6 %	1.6 %
Corporate	61	61	65	66	69	71	3.0 %	3.8 %	3.0 %
Total Operating Cash Expenses	4,125	4,115	4,149	4,158	4,203	4,242	0.5 %	0.8 %	0.6 %
Operating Cash Flow [1]									
Publishing	931	915	935	947	959	970	0.7 %	1.5 %	0.8 %
Broadcasting & Entertainment	437	416	468	484	501	490	3.5 %	4.2 %	2.3 %
Corporate	(61)	(61)	(65)	(66)	(69)	(71)	3.0 %	3.8 %	3.0 %
Total Operating Cash Flow	1,308	1,270	1,339	1,364	1,391	1,389	1.6 %	2.3 %	1.2 %
Equity Income	75	67	95	129	159	191	20.7 %	29.9 %	20.6 %
Adjusted Operating Cash Flow	1,383	1,337	1,434	1,493	1,550	1,580	2.9 %	4.3 %	2.7 %
Capital Expenditures									
Publishing	173	165	140	100	100	100			
Broadcasting & Entertainment	42	28	28	27	27	27			
Corporate	6	7	7	3	3	3			
Total Capital Expenditures	222	200	175	130	130	130			
Investments	222	100	275[3]	100	100	100			
Total Capital Usage	444	300	450	230	230	230		Cumulative FCF ('07-'11)	
Pre-tax free cash flow	$939	$1,037	$983	$1,264	$1,320	$1,350		$5,954	

Note: Excludes non-operating items, discontinued operations (Atlanta, Albany and Boston) and the following special items: approximately $20 million of severance and other payments associated with new union contracts at Newsday, $9 million of severance expense, a $4 million charge for the disposition of a press, $7 million of gains from property sales and a $7 million gain from the sale of the corporate airplane.

[1] Includes non-cash stock-based compensation and non-cash pension expense.

[2] Excludes fiscal year 2006's additional week. A 53rd week occurs every six years as the Company's fiscal years end on the last Sunday of the year.

[3] Includes $175 million in 2008 for the purchase of TMCT real estate

10. Appendix

Summaries of principal transaction documents

Merger agreement and related agreements	
Structure	■ The Company, the ESOP, and a merger subsidiary of the ESOP are parties to the merger agreement. EGI-TRB, an LLC wholly owned by a trust established for the benefit of Sam Zell and his family, will also have the benefit, through the securities purchase agreement described below, of certain closing conditions and termination rights, as well as certain representations, warranties and covenants (including interim operating covenants and no solicitation covenants) ■ All common stock, except stock owned by the ESOP and any dissenting shares, is cashed out at $34 per share. In the event the Merger does not close on or prior to December 31, 2007, each share of common stock will also be entitled to an 8% per annum ticking fee from January 1, 2008 through the closing date of the merger.
Regulatory commitment	■ Reasonable best efforts standard. No obligation to close if FCC order contains conditions that would have a material adverse effect on the broadcasting business
Closing conditions	■ Customary mutual conditions including: Shareholder approval, no injunction, regulatory approvals and receipt of specified consents. Additional mutual conditions include ※ Receipt of financing ※ Consummation of the recapitalization of common stock held by the Eagles subsidiaries ※ Conditions to consummation of the purchase of the subordinated note and the Warrant in the securities purchase agreement have been satisfied or waived ■ ESOP has customary closing conditions, including the material accuracy of the Company's representations and warranties and performance of covenants. ■ Company has customary closing conditions, including the material accuracy of the ESOP's representations and warranties and performance of covenants. Additional Company conditions include ※ FCC consent must not impose any condition on the Company that would have a material adverse effect on the broadcasting business ※ Receipt of solvency opinion ■ ESOP may not waive any of its conditions to closing without the prior written consent of EGI-TRB (the Zell Entity)
Drop dead date	■ May 31, 2008
Termination rights	Customary termination rights, including Mutual written consent If merger not closed by the drop dead date Non-appealable injunction or court order prohibiting transaction Failure to obtain shareholder approval By either party, if other party breaches merger agreement and cannot be cured by the drop dead date By the Company, to accept a better deal By the ESOP, if the Board fails to make appropriate recommendation to shareholders or changes its recommendation

Merger agreement and related agreements (cont'd)

Non-solicitation	■ No-shop provision, but Company may entertain alternative proposal if reasonably likely to lead to a better deal, and may terminate to take a better deal
Interim covenants	■ Customary interim operating covenants, restricting the Company's ability between signing and closing to make acquisitions or dispositions, incur debt, pay quarterly dividends or take other material steps without the consent of the ESOP and Zell
Representations	■ Customary Company representations and warranties, including with respect to: Organization, capital stock, corporate authority, reports and financial statements, internal controls, no undisclosed liabilities, compliance with law, environmental, employee benefits, absence of changes, litigation, proxy statement, rights plan, tax, labor, intellectual property, real property, fairness opinion, shareholder vote, material contracts, brokers, insurance, affiliate transactions, indebtedness and cable and satellite matters ■ Customary acquiror representations and warranties, including with respect to: Organization, authority, no violation, litigation, capitalization, lack of ownership of company common stock
Options; RSU's; employee matters	■ At the effective time of the merger, options, whether vested or unvested, will be cashed out at the spread, if any, between exercise price and deal price ■ At the effective time of the merger, unvested restricted stock units will vest and be paid out at the deal price ■ Following the merger, limited employee benefit protections/covenants regarding: Severance, plan eligibility/participation and 2007 bonus and 401(k) contributions have been agreed to
Self-tender	■ The merger agreement provides that the Company will commence the self tender offer as the first step of the transaction (tender commenced on April 25, 2007)
D&O indemnity and insurance	■ Indemnification: Company to maintain, for six years, provisions relating to exculpation, indemnification and advancement of expenses no less favorable than currently in effect ■ Insurance: Company to maintain D&O liability and fiduciary liability insurance for six years or acquire a tail policy providing the same coverage
Voting agreement	■ The Chandler Trusts have committed to vote all of their shares of company common stock in favor of the merger.
Eagles exchange	■ Prior to the merger, the Eagle entities will exchange any Company common stock or Series D-1 preferred stock that they own for a new Series E preferred stock. The Series E preferred stock held by the Eagle entities will remain outstanding after the merger.

Securities purchase agreement and related agreements

Structure and basic terms	■ Entered into concurrently with the execution and delivery of the merger agreement, between the Company and EGI-TRB LLC and Sam Zell, individually, as guarantor. ■ Structured with two closings – First closing: On April 23, 2007, EGI-TRB purchased from the Company $50 million of common stock at $34 per share and an exchangeable note for $200 million, which is exchangeable at the option of the Company, or automatically upon termination of the merger agreement, into common stock at $34 per share. This transaction was consummated on April 23, 2007. Zell will be appointed to the Company's board no later than May 9, 2007. – Second closing: In the merger, EGI-TRB will receive the merger consideration for its shares of common stock and immediately prior to the consummation of the merger, the Company will repay the exchangeable note to the extent it is still outstanding. Immediately following the consummation of the merger; the Zell entity will purchase a $225 million subordinated note and a 15-year warrant (described below) for $90 million.
Representations and warranties	■ Generally mirror the representations and warranties found in the Merger Agreement.
Covenants	■ Generally mirror the covenants in the merger agreement, including covenants binding Zell to use reasonable efforts to consummate the transactions. – No transfer of the common stock or the exchangeable note pending the merger or during the three year period from the date of purchase in the event the merger does not close – Zell agrees to vote in favor of the merger, to revoke any prior proxies and not enter into inconsistent agreements
Guarantee	■ Zell, in his personal capacity, has agreed to guarantee the obligations of EGI-TRB LLC.
Conditions to the first closing which occurred on April 23, 2007	■ No injunction ■ No termination of the merger agreement ■ Receipt of all required regulatory and third-party consents and approvals; early termination of the HSR waiting period granted on April 20, 2007. ■ Compliance with representations, warranties and covenants, and delivery of officers' certificates certifying compliance ■ Authorization of shares for listing on the NYSE (satisfied)
Conditions to second closing	■ No injunction ■ Consummation of the merger ■ Zell elected as chairman, if he is willing and able to serve in such capacity, as of the second closing
Termination rights	■ Mutual written consent ■ Unappealable injunction or court order ■ Upon termination of the merger agreement in accordance with its terms ■ By either party, if other party breaches the securities purchase agreement and cannot cure by the drop dead date of the merger agreement ■ By EGI-TRB if the merger has not occurred by May 31, 2008 (unless the failure to close has been caused by EGI-TRB) ■ By EGI-TRB, if prior to obtaining the shareholder vote, the Tribune board fails to make appropriate recommendation to shareholders or changes its recommendation ■ By EGI-TRB, if the requisite shareholder approval is not obtained at the shareholder meeting ■ By EGI-TRB, if the Company decides to accept a better deal
Break-up fees	■ Company may be required to pay a $25 million termination fee in event of termination due to (i) certain breaches by the Company, (ii) a change in recommendation, (iii) accepting a better deal or (iv) shareholders do not approve deal under certain circumstances and then Company enters into an alternative transaction within one year ■ EGI-TRB may be required to pay a $25 million termination fee in event of termination due to (i) certain breaches by EGI-TRB or (ii) failure to obtain the financing (unless such failure is due to a breach by the Company or the ESOP)
Expenses	■ Company has agreed to reimburse EGI-TRB/Zell for up to $2.5 million of expenses following consummation of the first closing and up to an additional $2.5 million of expenses following the second closing
Exchangeable note, subordinated note, and warrant	■ Exchangeable subordinated note: Exchangeable subordinated note will bear interest at rate of 4.81% and will be subordinated to all other debt. Immediately prior to the closing of the merger, the Company shall repay the outstanding amount of the note. If the merger does not close, the exchangeable subordinated note will be exchanged into Tribune common stock at the deal price plus interest ■ Subordinated note: Subordinated note will bear interest at the "long-term applicable federal rate" and is payable in cash if permitted by other debt or in additional principal amount (i.e., "pay-in-kind"). The subordinated note will be subordinated to other debt and will mature 11 years from the date of issuance ■ Warrant: Warrant will give EGI-TRB the right to purchase 43,478,261 million shares of the Company, which will represent approximately 43% of the common stock of the Company, or 40% on a fully diluted basis taking into account an 8% management equity incentive pool. The Warrant has an initial aggregate exercise price of $500 million, increasing by $10 million per year for the first 10 years of the Warrant. The Warrant will be fully vested and exercisable at the time of grant, will have a term of 15 years, will be subject to restrictions on transfer, and will include customary anti-dilution adjustments

ESOP purchase and related agreements

ESOP purchase agreement	■ The ESOP has purchased shares of Company common stock for $250 million at a price of $28 per share ■ The $250 million purchase price was paid with the ESOP's promissory note under the ESOP loan agreement ■ The Company has agreed to a covenant to maintain its and the ESOP's existence and to make sufficient contributions to the ESOP (taken together with dividends) to allow the ESOP to repay its stock acquisition indebtedness. This covenant will terminate if the ESOP is terminated or if the Company is sold ■ The Company will pay the ESOP's transaction expenses ■ Following the merger, the Company will at all times ensure that the ESOP owns at least 51% of both the value and the voting power of the Company's total equity, on a fully-diluted basis, subject to certain exceptions
ESOP loan agreement, ESOP note and ESOP pledge agreement	■ The ESOP note bears interest at the rate of 5.01% per annum. The loan will be repaid in 30 equal annual installments of $15,342,301, with a balloon payment of $62,500,000 due in 2037 ■ The shares of Company stock acquired for the $250 million note are pledged as collateral for the loan. A portion of these shares will be released from the pledge annually in accordance with a formula based on the proportion of the loan that has been repaid